
Department of the Treasury



Fiscal Service, Bureau of the Public Debt

**31 CFR Part 353 - Regulations Governing United States
Savings Bonds, Series EE and HH**

**Department of the Treasury Circular,
Public Debt Series No. 3-80**

**As of July 2005
Amendment 1 dated September 30, 2005**

Department of the Treasury



Fiscal Service, Bureau of the Public Debt

Amendments to:

**31 CFR Part 306 - General Regulations Governing
U.S. Securities
Department of the Treasury Circular 300**

**31 CFR Part 315 - Regulations Governing U.S. Savings
Bonds, Series A, B, C, E, F, G, H, J, and K, and
U.S. Savings Notes
Department of the Treasury Circular 530**

**31 CFR Part 353 - Regulations Governing United
States Savings Bonds, Series EE and HH
Department of the Treasury Circular,
Public Debt Series No. 3-80**

**31 CFR Part 357 - Regulations Governing
Book-Entry Treasury Bonds, Notes and Bills Held in
Legacy Treasury Direct®
Department of the Treasury Circular,
Public Debt Series No. 2-86**

**31 CFR Part 360 - Regulations Governing Definitive
United States Savings Bonds, Series I
Department of the Treasury Circular,
Public Debt Series No. 2-98**

**31 CFR Part 363
Regulations Governing Securities Held in
TreasuryDirect®**

Amended September 30, 2005

DEPARTMENT OF THE TREASURY**Fiscal Service****31 CFR Parts 306, 315, 353, 357, 360, and 363**

[Docket No. BPD-33-05-01]

General Regulations Governing U.S. Securities; Regulations Governing U.S. Savings Bonds, Series A, B, C, D, E, F, G, H, J, and K, and U.S. Savings Notes; Regulations Governing United States Savings Bonds, Series EE and HH; Regulations Governing Book-Entry Treasury Bonds, Notes and Bills (Department of the Treasury Circular, Public Debt Series No. 2-86); Regulations Governing Definitive United States Savings Bonds, Series I; Regulations Governing Securities Held in the New Treasury Direct System

AGENCY: Bureau of the Public Debt, Fiscal Service, Treasury.

ACTION: Final rule.

SUMMARY: New Treasury Direct is an account-based, book-entry, online system for purchasing, holding, and conducting transactions in Treasury securities. The system has been referred to as New Treasury Direct because there is an older system concurrently operating that is also named Treasury Direct, for marketable securities only, with different governing regulations. This rule renames the older version of Treasury Direct as Legacy Treasury Direct, and renames New Treasury Direct as, simply, TreasuryDirect (one word).

In addition, this rule simplifies the regulatory structure for TreasuryDirect. Initially, we began the system with only one security. Since that time, we have added several securities to the system, each with its own governing subpart. Many of the rules in the subparts governing individual securities are repetitive. For instance, the provisions for decedents' estates differ only slightly in subpart C (savings bonds) from provisions in subpart D (certificates of indebtedness), and subpart E (converted savings bonds). Rather than repeat similar provisions for each security, this rule will integrate the similar provisions into one provision that will apply to all securities in the system. The integrated provisions will be contained in subpart B, which applies to all securities held within the system. Provisions that affect only one security will be contained within the subpart governing that security. In condensing and moving substantive changes.

We are also amending provisions relating to Internal Revenue Service levies to provide that we will honor levies against the secondary owner of securities owned in the primary/secondary form of ownership if the levy is received at a date when the secondary owner has a right to redeem the security.

DATES: Effective: September 30, 2005.

ADDRESSES: You can download this final rule at the following Internet addresses: <http://www.publicdebt.treas.gov> or <http://www.gpoaccess.gov/ecfr>.

FOR FURTHER INFORMATION CONTACT:

Elisha Whipkey, Director, Division of Program Administration, Office of Securities Operations, Bureau of the Public Debt, at (304) 480-6319 or elisha.whipkey@bpd.treas.gov.

Susan Klimas, Attorney-Adviser, Dean Adams, Assistant Chief Counsel, Edward Gronseth, Deputy Chief Counsel, Office of the Chief Counsel, Bureau of the Public Debt, at (304) 480-8692 or susan.klimas@bpd.treas.gov.

SUPPLEMENTARY INFORMATION:

TreasuryDirect is an account-based, online, book-entry system for purchasing, holding, and conducting transactions in Treasury securities via the Internet. Currently, book-entry Series EE and Series I savings bonds and certificates of indebtedness are offered for purchase, and definitive savings bonds may be converted to book-entry savings bonds through TreasuryDirect.

The TreasuryDirect regulations have been written in a modular manner. We have added subparts as we have added securities to the system. Each subpart has its own provisions as to judicial matters, forms of registration, decedents' estates, evidentiary requirements, and forfeiture procedures. This is because it was unclear when we began the system with savings bonds what securities would later be added, and whether these securities would have the same terms and conditions as the savings bonds already in the system. Now, it is clear that many of the administrative provisions for all securities will be similar. Therefore, we have removed some provisions from the subparts specific to the securities, and added consolidated provisions to the subpart that is common to all securities held in TreasuryDirect. This will better clarify the terms and conditions for forms of registration, decedents' estates, judicial proceedings, evidentiary requirements, and forfeiture procedures, and will tailor these provisions to the system's current and planned configuration. We originally placed these provisions, and others, into subpart C, which deals specifically with book-entry savings

bonds, subpart D, which deals specifically with certificates of indebtedness, and subpart E, which deals with converted savings bonds. We are moving these provisions to subpart B, which is a subpart that is common to all securities held within the TreasuryDirect system. Generally, the substance of the moved provisions has not been changed, other than to make references to securities in general rather than to a specific security.

We are amending the provisions regarding Internal Revenue Service levies to provide that we will honor levies against the secondary owner of securities owned in the primary/secondary form of ownership if the levy is received at a time when the secondary owner has a right to redeem the security. Previously, levies were honored only against "owners" as defined in the TreasuryDirect governing regulations. Owners were defined as "either a single owner, the first person named in the registration of a security held in the owner with beneficiary form of registration, the primary owner of a security held in the primary owner with secondary owner form of registration, or either coowner of a converted savings bond." IRS levies were not permitted against secondary owners because of the nature of the ownership interest. However, during periods when a secondary owner has been given the right to redeem, he or she has an interest sufficient for an IRS levy to attach.

Procedural Requirements

This final rule does not meet the criteria for a "significant regulatory action" as defined in Executive Order 12866. Therefore, a regulatory assessment is not required.

Because this final rule relates to matters of public contract and procedures for United States securities, notice and public procedure and delayed effective date requirements are inapplicable, pursuant to 5 U.S.C. 553(a)(2).

As no notice of proposed rulemaking is required, the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) does not apply.

We ask for no new collections of information in this final rule. Therefore, the Paperwork Reduction Act (44 U.S.C. 3507) does not apply.

List of Subjects**31 CFR Part 306**

Government securities.

31 CFR Part 315

Bonds.

31 CFR Part 353

Bonds.

31 CFR Part 357

Banks, Banking, Bonds, Electronic funds transfers, Government securities, Reporting and recordkeeping requirements.

31 CFR Part 360

Bonds.

31 CFR Part 363

Bonds, Electronic funds transfer, Federal Reserve system, Government securities, Securities.

■ Accordingly, for the reasons set out in the preamble, 31 CFR chapter II, subchapter B, is amended as follows:

PART 306—GENERAL REGULATIONS GOVERNING U.S. SECURITIES

■ 1. The authority citation of part 306 continues to read as follows:

Authority: 31 U.S.C. Chapter 31; 5 U.S.C. 301; 12 U.S.C. 391.

■ 2. Amend § 306.2 by adding paragraph (u) to read as follows:

§ 306.2 Definitions of words and terms as used in these regulations.

* * * * *

(u) *Voluntary representative* means the person qualified by the Department of the Treasury to request payment or make an assignment of a decedent's securities pursuant to § 306.65.

■ 3. Revise § 306.65 to read as follows:

§ 306.65 Decedent's estate.

(a) *Estate is being administered.* (1) A legal representative of a deceased owner's estate may request payment of matured securities to the estate, or may assign securities to or for the benefit of the persons entitled.

(2) Appropriate proof of appointment for the legal representative of the estate is required. Letters of appointment must be dated not more than one year prior to the date of submission of the letters of appointment.

(b) *Estate has been settled previously.* If the estate has been settled previously through judicial proceedings, the persons entitled may request payment of matured securities, or may request assignment of unmatured securities. A certified copy of the court-approved final accounting for the estate, the court's decree of distribution, or other appropriate evidence is required.

(c) *Special provisions under the law of the jurisdiction of the decedent's domicile.* If there is no formal or regular administration and no representative of the estate is to be appointed, the person

appointed to receive or distribute the assets of a decedent's estate without regular administration under summary or small estates procedures under applicable local law may request payment of matured securities, or may request assignment of the securities. Appropriate evidence is required.

(d) *When administration is required.* If the total redemption value of the Treasury securities and undelivered payments, if any, held directly on our records that are the property of the decedent's estate is greater than \$100,000, administration of the decedent's estate will be required. The redemption value of savings bonds and the principal amount of marketable securities will be used to determine the value of securities, and will be determined as of the date of death. Administration may also be required at the discretion of the Department for any case.

(e) *Voluntary representative for small estates that are not being otherwise administered.* (1) *General.* A voluntary representative is a person qualified according to paragraph (e)(3) of this section, to request payment of a decedent's matured securities or to make an assignment of a decedent's unmatured securities. The voluntary representative procedures are for the convenience of the Department; entitlement to the decedent's securities and held payments, if any, is determined by the law of the jurisdiction in which the decedent was domiciled at the date of death. Voluntary representative procedures may be used only if:

(i) There has been no administration, no administration is contemplated, and no summary or small estate procedures under applicable local law have been used;

(ii) The total redemption value of the Treasury securities and held payments, if any, held directly on our records that are the property of the decedent's estate is \$100,000 or less as of the date of death; and

(iii) There is a person eligible to serve as the voluntary representative according to paragraph (e)(3) of this section.

(2) *Authority of voluntary representative.* A voluntary representative may:

(i) Request payment of the decedent's matured securities on behalf of the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death;

(ii) Assign the decedent's securities to the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death.

(3) *Order of precedence for voluntary representative.* An individual eighteen years of age or older may act as a voluntary representative according to the following order of precedence: a surviving spouse; if there is no surviving spouse, then a child of the decedent; if there are none of the above, then a descendant of a deceased child of the decedent; if there are none of the above, then a parent of the decedent; if there are none of the above, then a brother or sister of the decedent; if there are none of the above, then a descendant of a deceased brother or sister of the decedent; if there are none of the above, then a next of kin of the decedent, as determined by the law of the jurisdiction in which the decedent was domiciled at the date of death. As used in this order of precedence, child means a natural or adopted child of the decedent.

(4) *Liability.* By serving, the voluntary representative warrants that the distribution of payments or securities is to or on behalf of the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death. The United States is not liable to any person for the improper distribution of payments or securities. Upon payment or assignment of the securities at the request of the voluntary representative, the United States is released to the same extent as if it had paid or delivered to a representative of the estate appointed pursuant to the law of the jurisdiction in which the decedent was domiciled at the date of death. The voluntary representative shall indemnify and hold harmless the United States and all creditors and persons entitled to the estate of the decedent. The amount of the indemnification is limited to an amount no greater than the value received by the voluntary representative.

(f) *Creditor.* If there has been no administration, no administration is contemplated, no summary or small estate procedures under applicable local law have been used, and there is no person eligible to serve as a voluntary representative pursuant to paragraph (e) of this section, then a creditor may make a claim for the amount of the debt, providing the debt has not been barred by applicable local law. The claim may only be satisfied by the proceeds of matured securities.

§§ 306.66 and 306.67 [Removed and Reserved]

■ 4. Remove and reserve §§ 306.66 and 306.67.

**PART 315—REGULATIONS
GOVERNING U.S. SAVINGS BONDS,
SERIES A, B, C, D, E, F, G, H, J, AND
K, AND U.S. SAVINGS NOTES**

■ 5. The authority citation of part 315 continues to read as follows:

Authority: 31 U.S.C. 3105 and 5 U.S.C. 301.

■ 6. Amend § 315.2 by adding paragraph (r) to read as follows:

§ 315.2 Definitions.

* * * * *

(r) *Voluntary representative* means the person qualified by the Department of the Treasury to request payment or distribution of a decedent's savings bonds pursuant to § 315.71.

■ 7. Revise § 315.71 to read as follows:

§ 315.71 Decedent's estate.

(a) *Estate is being administered.* (1) A legal representative of a deceased owner's estate may request payment of savings bonds to the estate, or may distribute the savings bonds to the persons entitled.

(2) Appropriate proof of appointment for the legal representative of the estate is required. Letters of appointment must be dated not more than one year prior to the date of submission of the letters of appointment.

(b) *Estate has been settled previously.* If the estate has been settled previously through judicial proceedings, the persons entitled may request payment or reissue of the savings bonds. A certified copy of the court-approved final accounting for the estate, the court's decree of distribution, or other appropriate evidence is required.

(c) *Special provisions under the law of the jurisdiction of the decedent's domicile.* If there is no formal or regular administration and no representative of the estate is to be appointed, the person appointed to receive or distribute the assets of a decedent's estate without regular administration under summary or small estates procedures under applicable local law may request payment or reissue of savings bonds. Appropriate evidence is required.

(d) *When administration is required.* If the total redemption value of the Treasury securities and undelivered payments, if any, held directly on our records that are the property of the decedent's estate is greater than \$100,000, administration of the decedent's estate will be required. The redemption value of savings bonds and the principal amount of marketable securities will be used to determine the value of securities, and will be determined as of the date of death. Administration may also be required at

the discretion of the Department for any case.

(e) *Voluntary representative for small estates that are not being otherwise administered.* (1) *General.* A voluntary representative is a person qualified according to paragraph (e)(3) of this section, to redeem or to distribute a decedent's savings bonds. The voluntary representative procedures are for the convenience of the Department; entitlement to the decedent's savings bonds and held payments, if any, is determined by the law of the jurisdiction in which the decedent was domiciled at the date of death. Voluntary representative procedures may be used only if:

(i) There has been no administration, no administration is contemplated, and no summary or small estate procedures under applicable local law have been used;

(ii) The total redemption value of the Treasury securities and held payments, if any, held directly on our records that are the property of the decedent's estate is \$100,000 or less as of the date of death; and

(iii) There is a person eligible to serve as the voluntary representative according to paragraph (e)(3) of this section.

(2) *Authority of voluntary representative.* A voluntary representative may:

(i) Redeem the decedent's savings bonds on behalf of the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death;

(ii) Distribute the decedent's savings bonds to the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death.

(3) *Order of precedence for voluntary representative.* An individual eighteen years of age or older may act as a voluntary representative according to the following order of precedence: A surviving spouse; if there is no surviving spouse, then a child of the decedent; if there are none of the above, then a descendant of a deceased child of the decedent; if there are none of the above, then a parent of the decedent; if there are none of the above, then a brother or sister of the decedent; if there are none of the above, then a descendant of a deceased brother or sister of the decedent; if there are none of the above, then a next of kin of the decedent, as determined by the law of the jurisdiction in which the decedent was domiciled at the date of death. As used in this order of precedence, child means a natural or adopted child of the decedent.

(4) *Liability.* By serving, the voluntary representative warrants that the distribution of payments or savings bonds is to the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death. The United States is not liable to any person for the improper distribution of payments or savings bonds. Upon payment or distribution of the savings bonds at the request of the voluntary representative, the United States is released to the same extent as if it had paid or delivered to a representative of the estate appointed pursuant to the law of the jurisdiction in which the decedent was domiciled at the date of death. The voluntary representative shall indemnify and hold harmless the United States and all creditors and persons entitled to the estate of the decedent. The amount of the indemnification is limited to an amount no greater than the value received by the voluntary representative.

(f) *Creditor.* If there has been no administration, no administration is contemplated, no summary or small estate procedures under applicable local law have been used, and there is no person eligible to serve as a voluntary representative pursuant to paragraph (e) of this section, then a creditor may make a claim for payment for the amount of the debt, providing the debt has not been barred by applicable local law.

**PART 353—REGULATIONS
GOVERNING UNITED STATES
SAVINGS BONDS, SERIES EE AND HH**

■ 8. The authority citation of part 353 continues to read as follows:

Authority: 5 U.S.C. 301; 12 U.S.C. 391; 31 U.S.C. 3105, 3125.

■ 9. Amend § 353.2 by adding paragraph (n) to read as follows:

§ 353.2 Definitions.

* * * * *

(n) *Voluntary representative* means the person qualified by the Department of the Treasury to request payment or distribution of a decedent's savings bonds pursuant to § 353.71.

■ 10. Revise § 353.71 to read as follows:

§ 353.71 Decedent's estate.

(a) *Estate is being administered.* (1) A legal representative of a deceased owner's estate may request payment of savings bonds to the estate, or may distribute the savings bonds to the persons entitled.

(2) Appropriate proof of appointment for the legal representative of the estate is required. Letters of appointment must be dated not more than one year prior

to the date of submission of the letters of appointment.

(b) *Estate has been settled previously.* If the estate has been settled previously through judicial proceedings, the persons entitled may request payment or reissue of savings bonds. A certified copy of the court-approved final accounting for the estate, the court's decree of distribution, or other appropriate evidence is required.

(c) *Special provisions under the law of the jurisdiction of the decedent's domicile.* If there is no formal or regular administration and no representative of the estate is to be appointed, the person appointed to receive or distribute the assets of a decedent's estate without regular administration under applicable local law summary or small estates procedures may request payment or reissue of savings bonds. Appropriate evidence is required.

(d) *When administration is required.* If the total redemption value of the Treasury securities and undelivered payments, if any, held directly on our records that are the property of the decedent's estate is greater than \$100,000, administration of the decedent's estate will be required. The redemption value of savings bonds and the principal amount of marketable securities will be used to determine the value of securities, and will be determined as of the date of death. Administration may also be required at the discretion of the Department for any case.

(e) *Voluntary representative for small estates that are not being otherwise administered.* (1) *General.* A voluntary representative is a person qualified according to paragraph (e)(3) of this section, to redeem or distribute a decedent's savings bonds. The voluntary representative procedures are for the convenience of the Department; entitlement to the decedent's savings bonds and held payments, if any, is determined by the law of the jurisdiction in which the decedent was domiciled at the date of death. Voluntary representative procedures may be used only if:

(i) There has been no administration, no administration is contemplated, and no summary or small estate procedures under applicable local law have been used;

(ii) The total redemption value of the Treasury securities and held payments, if any, held directly on our records that are the property of the decedent's estate is \$100,000 or less as of the date of death; and

(iii) There is a person eligible to serve as the voluntary representative

according to paragraph (e)(3) of this section.

(2) *Authority of voluntary representative.* A voluntary representative may:

(i) Redeem the decedent's savings bonds that are eligible for redemption on behalf of the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death;

(ii) Distribute the decedent's savings bonds to the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death.

(3) *Order of precedence for voluntary representative.* An individual eighteen years of age or older may act as a voluntary representative according to the following order of precedence: A surviving spouse; if there is no surviving spouse, then a child of the decedent; if there are none of the above, then a descendant of a deceased child of the decedent; if there are none of the above, then a parent of the decedent; if there are none of the above, then a brother or sister of the decedent; if there are none of the above, then a descendant of a deceased brother or sister of the decedent; if there are none of the above, then a next of kin of the decedent, as determined by the law of the jurisdiction in which the decedent was domiciled at the date of death. As used in this order of precedence, child means a natural or adopted child of the decedent.

(4) *Liability.* By serving, the voluntary representative warrants that the distribution of payments or savings bonds is to the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death. The United States is not liable to any person for the improper distribution of payments or securities. Upon payment or transfer of the securities at the request of the voluntary representative, the United States is released to the same extent as if it had paid or delivered to a representative of the estate appointed pursuant to the law of the jurisdiction in which the decedent was domiciled at the date of death. The voluntary representative shall indemnify and hold harmless the United States and all creditors and persons entitled to the estate of the decedent. The amount of the indemnification is limited to an amount no greater than the value received by the voluntary representative.

(f) *Creditor.* If there has been no administration, no administration is contemplated, no summary or small estate procedures under applicable local law have been used, and there is no

person eligible to serve as a voluntary representative pursuant to paragraph (e) of this section, then a creditor may make a claim for the amount of the debt, providing the debt has not been barred by applicable local law.

PART 357—REGULATIONS GOVERNING BOOK-ENTRY TREASURY BONDS, NOTES AND BILLS HELD IN LEGACY TREASURY DIRECT

■ 11. The authority citation for part 357 continues to read as follows:

Authority: 31 U.S.C. chapter 31; 5 U.S.C. 301; 12 U.S.C. 391.

■ 12. Revise the heading for part 357 to read as set forth above.

■ 13. In part 357, the phrases "TREASURY DIRECT," "Treasury Direct," and "TreasuryDirect" are revised to read "Legacy Treasury Direct" wherever they appear.

■ 14. Amend § 357.0 by revising paragraph (c) to read as follows:

§ 357.0 Book-entry systems.

* * * * *

(c) *TreasuryDirect system.* TreasuryDirect is an Internet-based book-entry system maintained by the Department of the Treasury. The regulations governing TreasuryDirect are found at part 363 of this chapter. Legacy Treasury Direct is a separate, non-Internet-based book-entry system for marketable Treasury securities only.

■ 15. Amend § 357.2 by adding the definition of "Voluntary representative" in alphabetical order, to read as follows:

§ 357.2 Definitions.

* * * * *

Voluntary representative means the person qualified by the Department of the Treasury to accept payment or direct distribution of a decedent's securities pursuant to § 357.28.

■ 16. Amend § 357.28 by revising paragraph (c) to read as follows:

§ 357.28 Transaction requests.

* * * * *

(c) *Representatives.*

(1) *General.* Any representative of an owner's estate, other than a trustee, may execute a transaction request form if the representative submits to the Department properly authenticated evidence of the authority to act. The evidence will not be accepted if dated more than one year prior to the date of submission of the transaction request.

(2) *Decedent's estate has been settled previously.* If a decedent's estate has been settled previously through judicial proceedings, the persons entitled may

make a transaction request. A certified copy of the court-approved final accounting for the estate, the court's decree of distribution, or other appropriate evidence will be required.

(3) *Special provisions under the law of the jurisdiction of the decedent's domicile.* If there is no formal or regular administration and no representative of the decedent's estate is to be appointed, the person appointed to receive or distribute the assets of a decedent's estate without regular administration under applicable local law summary or small estates procedures may make a transaction request. Appropriate evidence will be required.

(4) *When administration is required.* If the total redemption value of the Treasury securities and undelivered payments, if any, held directly on our records that are the property of the decedent's estate is greater than \$100,000, administration of the decedent's estate will be required. The redemption value of savings bonds and the principal amount of marketable securities will be used to determine the value of securities, and will be determined as of the date of death. Administration may also be required at the discretion of the Department for any case.

(5) *Voluntary representative for small estates of decedents that are not being otherwise administered.* (i) *General.* A voluntary representative is a person qualified according to paragraph (c)(5)(iii) of this section, to make a transaction request. The voluntary representative procedures are for the convenience of the Department; entitlement to the decedent's securities and held payments, if any, is determined by the law of the jurisdiction in which the decedent was domiciled at the date of death. Voluntary representative procedures may be used only if:

(A) There has been no administration, no administration is contemplated, and no summary or small estate procedures under applicable local law have been used;

(B) The total redemption value of the Treasury securities and held payments, if any, that are the property of the decedent's estate is \$100,000 or less as of the date of death; and

(C) There is a person eligible to serve as the voluntary representative according to paragraph (c)(5)(iii) of this section.

(ii) *Authority of voluntary representative.* A voluntary representative may make a transaction request to distribute the securities to or for the benefit of the persons entitled by laws of the jurisdiction in which the

decedent was domiciled at the date of death.

(iii) *Order of precedence for voluntary representative.* An individual eighteen years of age or older may act as a voluntary representative according to the following order of precedence: A surviving spouse; if there is no surviving spouse, then a child of the decedent; if there are none of the above, then a descendant of a deceased child of the decedent; if there are none of the above, then a parent of the decedent; if there are none of the above, then a brother or sister of the decedent; if there are none of the above, then a descendant of a deceased brother or sister of the decedent; if there are none of the above, then a next of kin of the decedent, as determined by the law of the jurisdiction in which the decedent was domiciled at the date of death. As used in this order of precedence, child means a natural or adopted child of the decedent.

(iv) *Liability.* By serving, the voluntary representative warrants that the distribution of securities or proceeds is to or on behalf of the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death. The United States is not liable to any person for the improper distribution of securities or proceeds. Upon distribution of the securities or proceeds at the request of the voluntary representative, the United States is released to the same extent as if it had paid or delivered to a representative of the estate appointed pursuant to the law of the jurisdiction in which the decedent was domiciled at the date of death. The voluntary representative shall indemnify and hold harmless the United States and all creditors and persons entitled to the estate of the decedent. The amount of the indemnification is limited to an amount no greater than the value received by the voluntary representative.

(v) *Creditor.* If there has been no administration, no administration is contemplated, no summary or small estate procedures under applicable local law have been used, and there is no person eligible to serve as a voluntary representative pursuant to paragraph (e) of this section, then a creditor may make a claim for payment of the amount of the debt, providing the debt has not been barred by applicable local law.

* * * * *

PART 360—REGULATIONS GOVERNING DEFINITIVE UNITED STATES SAVINGS BONDS, SERIES I

■ 17. The authority citation for part 360 continues to read as follows:

Authority: 5 U.S.C. 301; 31 U.S.C. 3105 and 3125.

■ 18. Amend § 360.2 by adding paragraph (n) to read as follows:

§ 360.2 Definitions.

* * * * *

(n) *Voluntary representative* means the person qualified by the Department of the Treasury to request payment or distribution of a decedent's savings bonds pursuant to § 360.71.

■ 19. Amend § 360.70 by revising the second sentence of the introductory paragraph, to read as follows:

§ 360.70 General rules governing entitlement.

* * * Appropriate proof of death will be required.

* * * * *

■ 20. Revise § 360.71 to read as follows:

§ 360.71 Decedent's estate.

(a) *Estate is being administered.* (1) A legal representative of a deceased owner's estate may request payment of savings bonds to the estate, or may distribute the savings bonds to the persons entitled.

(2) Appropriate proof of appointment for the legal representative of the estate is required. Letters of appointment must be dated not more than one year prior to the date of submission of the letters of appointment.

(b) *Estate has been settled previously.* If the estate has been settled previously through judicial proceedings, the persons entitled may request payment or reissue of the savings bonds. A certified copy of the court-approved final accounting for the estate, the court's decree of distribution, or other appropriate evidence is required.

(c) *Special provisions under the law of the jurisdiction of the decedent's domicile.* If there is no formal or regular administration and no representative of the estate is to be appointed, the person appointed to receive or distribute the assets of a decedent's estate without regular administration under applicable local law summary or small estates procedures may request payment or reissue of savings bonds. Appropriate evidence is required.

(d) *When administration is required.* If the total redemption value of the Treasury securities and undelivered payments, if any, held directly on our records that are the property of the decedent's estate is greater than \$100,000, administration of the decedent's estate will be required. The redemption value of savings bonds and the principal amount of marketable securities will be used to determine the

value of securities, and will be determined as of the date of death. Administration may also be required at the discretion of the Department for any case.

(e) *Voluntary representative for small estates that are not being otherwise administered.* (1) *General.* A voluntary representative is a person qualified according to paragraph (e)(3) of this section, to request payment or distribution of a decedent's savings bonds. The voluntary representative procedures are for the convenience of the Department; entitlement to the decedent's savings bonds and held payments, if any, is determined by the law of the jurisdiction in which the decedent was domiciled at the date of death. Voluntary representative procedures may be used only if:

(i) There has been no administration, no administration is contemplated, and no summary or small estate procedures under applicable local law have been used;

(ii) The total redemption value of the Treasury securities and held payments, if any, held directly on our records that are the property of the decedent's estate is \$100,000 or less as of the date of death; and

(iii) There is a person eligible to serve as the voluntary representative according to paragraph (e)(3) of this section.

(2) *Authority of voluntary representative.* A voluntary representative may:

(i) Redeem the decedent's savings bonds that are eligible for redemption on behalf of the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death;

(ii) Distribute the decedent's savings bonds to the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death.

(3) *Order of precedence for voluntary representative.* An individual eighteen years of age or older may act as a voluntary representative according to the following order of precedence: A surviving spouse; if there is no surviving spouse, then a child of the decedent; if there are none of the above, then a descendant of a deceased child of the decedent; if there are none of the above, then a parent of the decedent; if there are none of the above, then a brother or sister of the decedent; if there are none of the above, then a descendant of a deceased brother or sister of the decedent; if there are none of the above, then a next of kin of the decedent, as determined by the law of the jurisdiction in which the decedent was

domiciled at the date of death. As used in this order of precedence, child means a natural or adopted child of the decedent.

(4) *Liability.* By serving, the voluntary representative warrants that the distribution of payments or savings bonds is to the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death. The United States is not liable to any person for the improper distribution of payments or securities. Upon payment or distribution of the securities at the request of the voluntary representative, the United States is released to the same extent as if it had paid or delivered to a representative of the estate appointed pursuant to the law of the jurisdiction in which the decedent was domiciled at the date of death. The voluntary representative shall indemnify and hold harmless the United States and all creditors and persons entitled to the estate of the decedent. The amount of the indemnification is limited to an amount no greater than the value received by the voluntary representative.

(f) *Creditor.* If there has been no administration, no administration is contemplated, no summary or small estate procedures under applicable local law have been used, and there is no person eligible to serve as a voluntary representative pursuant to paragraph (e) of this section, then a creditor may make a claim for payment of the amount of the debt, providing the debt has not been barred by applicable local law.

PART 363—REGULATIONS GOVERNING SECURITIES HELD IN TREASURYDIRECT

■ 21. The authority citation for part 363 continues to read as follows:

Authority: 5 U.S.C. 301; 12 U.S.C. 391; 31 U.S.C. 3102, *et seq.*; 31 U.S.C. 3121, *et seq.*

■ 22. Revise the heading for part 363 to read as set forth above.

■ 23–24. In part 363, revise all references to “New Treasury Direct” to read “TreasuryDirect” wherever they appear.

■ 25. Amend § 363.6 by:

■ a. Removing all references to “§ 363.15” and adding in their places the reference “§ 363.10”;

■ b. Adding the definition of “Voluntary representative” in alphabetical order;

■ c. Revising the definition of “Final maturity of a savings bond”;

■ d. Revising the definition of “Minor linked account,” and

■ e. Revising footnote 1 to read as follows:

§ 363.6 What special terms do I need to know to understand this part?

* * * * *

Final maturity of a savings bond means the date beyond which an unredeemed savings bond no longer earns interest.¹

* * * * *

Minor account means an account that a custodian controls on behalf of a minor, that is linked to the custodian's primary account. (See §§ 363.10 and 363.27 for more information about minor accounts.)

* * * * *

Voluntary representative means the person qualified by the Department of the Treasury to accept payment or direct distribution of a decedent's securities pursuant to § 363.44.

* * * * *

¹ Series EE and Series I savings bonds currently have an original maturity period of 20 years and an extended maturity period of 10 years beyond original maturity during which the bonds continue to earn interest.

■ 26. Revise the heading for Subpart B to read as follows:

Subpart B—General Provisions Governing Securities Held in TreasuryDirect

■ 26a. Transfer §§ 363.9 through 363.14 to subpart B.

■ 27. Add § 363.9 to read as follows:

§ 363.9 What does this subpart cover?

This subpart provides general rules governing securities held within the TreasuryDirect system. Provisions in the subparts governing specific securities that conflict with these general rules will supersede these general rules.

■ 28. Redesignate §§ 363.15 and 363.16 as §§ 363.10 and 363.11, respectively.

■ 29. Add § 363.12 to read as follows:

§ 363.12 Who may purchase and hold book-entry securities in TreasuryDirect?

(a) A TreasuryDirect account owner may purchase and hold securities through his or her account.

(b) We do not permit a legally incompetent person to open an account, purchase securities, or convert savings bonds once we have been provided with an order from a court with appropriate jurisdiction determining incompetence to perform such activities.

(c) We do not permit a legal representative, a legal guardian, or a voluntary representative to purchase securities on behalf of the estate of a decedent or an incompetent person.

(d) We may reject any application for the purchase of a security, in whole or

in part. We may refuse to issue a security in any case or class of cases, if we deem the action to be in the public interest. Our decision in any such respect is final.

■ 30. Redesignate §§ 363.17 through 363.23 as §§ 363.13 through 363.19, respectively.

■ 31. Add new § 363.20 to read as follows:

§ 363.20 What do I need to know about the forms of registration that are available for purchases of securities through my TreasuryDirect account?

(a) *General principles.* (1) Registration must express the actual ownership of, and interest in, the security. Registration conclusively establishes ownership of a security.

(2) You must provide a last name and a first name for each individual included in the registration of the security.

(3) You must provide the valid taxpayer identification number for each person named in the registration of the security.

(b) *Forms of registration.* The forms of registration available for purchases of securities made through your TreasuryDirect account are single owner, owner with beneficiary, and primary owner with secondary owner, unless the forms of registration available for a security are specifically limited by the subpart governing that security.

(c) *Single owner.* (1) A single owner is the individual named in the registration of a book-entry security or a converted savings bond without a beneficiary, secondary owner, or coowner.

(2) A single owner may add a beneficiary or secondary owner.

(3) A single owner may conduct permitted online transactions on securities held in his or her account.

(4) Upon the death of the single owner, his or her estate is entitled to the security. In determining entitlement, the law of the decedent's domicile will be followed.

(5) Registration example: "John Doe, SSN 123-45-6789."

(d) *Owner with beneficiary.* (1) The purchaser must be named as the owner with another individual as beneficiary.

(2) The owner may remove or change the beneficiary without the consent of the beneficiary.

(3) The owner may conduct permitted online transactions on securities held in his or her account without the consent of the beneficiary.

(4) The beneficiary has no ownership rights to the security during the owner's lifetime. Upon the death of the owner, the security becomes the property of the

surviving beneficiary, despite any attempted testamentary disposition or any applicable local law to the contrary.

(5) If the beneficiary does not survive the owner, the security belongs to the estate of the owner.

(6) If both the owner and the beneficiary die under conditions where it cannot be established, either by presumption of law or otherwise, who died first, the security is the property of the estate of the owner.

(7) In order for the beneficiary to obtain the security or the redemption proceeds after the death of the owner, the beneficiary must provide proof of death of the owner. If the beneficiary has a TreasuryDirect account, the security will be transferred to that account. If the beneficiary does not have an account, he or she may establish an account. Alternatively, a beneficiary named on a savings bond may request redemption. If the beneficiary requests redemption, he or she must provide ACH instructions for the payment.

(8) Registration example: "John Doe, SSN 123-45-6789 POD (payable on death to) Jane Doe, SSN 987-65-4321."

(e) *Primary owner with secondary owner.* (1) The purchaser must be named in the registration as the primary owner with another individual as secondary owner.

(2) The primary owner holds the securities in his or her account and may view or conduct permitted online transactions in the securities.

(3) The primary owner may remove the secondary owner without the consent of the secondary owner.

(4) The secondary owner has no rights to view or conduct transactions in any security unless the primary owner gives the secondary owner these rights.

(5) The primary owner may give the secondary owner the right to view any security or rights to view and conduct transactions in any security online from the account of the secondary owner.

(6) Once the right to conduct transactions in a security has been given to the secondary owner, the primary owner may view and conduct transactions in the security from his or her account, and the secondary owner may view and conduct transactions in the security using his or her own account.

(7) The primary owner may revoke any rights previously given to the secondary owner at any time.

(8) Upon the death of either the primary or secondary owner, the security becomes the property of the survivor, despite any attempted testamentary disposition or any applicable local law to the contrary.

(9) If both the primary and the secondary owner die under conditions where it cannot be established, either by presumption of law or otherwise, who died first, the security is the property of the estate of the primary owner.

(10) In order for the secondary owner to obtain the security or the security proceeds after the death of the primary owner, the secondary owner must provide proof of death of the primary owner. If the secondary owner has a TreasuryDirect account, the security will be transferred to that account. If the secondary owner does not have an account, he or she may establish an account. Alternatively, a secondary owner named on a savings bond may request redemption. If the secondary owner requests redemption, he or she must provide ACH instructions.

(11) Registration example: "John Doe, SSN 123-45-6789 with Joseph Doe, SSN 987-65-4321."

■ 32. Redesignate §§ 363.24 as § 363.21.

■ 33. Add new § 363.22 to read as follows:

§ 363.22 Who has the right to conduct online transactions in book-entry securities?

(a) *Single owner form of registration.*

A single owner can conduct transactions in securities held in his or her TreasuryDirect account.

(b) *Owner with beneficiary form of registration.* The owner can conduct transactions in securities held in his or her TreasuryDirect account. The beneficiary has no rights during the lifetime of the owner and therefore cannot conduct transactions in the securities.

(c) *Primary owner with secondary owner form of registration.* The primary owner can conduct transactions in securities held in his or her TreasuryDirect account. The secondary owner can redeem savings bonds using his or her TreasuryDirect account providing the secondary owner has the right to redeem at the time of the transaction.

(d) *Converted savings bonds.* The rules for transactions governing converted savings bonds are contained in subpart E of this part.

§§ 363.23 and 363.24 [Reserved]

■ 34. Add and reserve new §§ 363.23 and 363.24.

■ 35. Add §§ 363.28 and 363.29 to read as follows:

§ 363.28 Does Public Debt reserve the right to require that any TreasuryDirect transaction be conducted in paper form?

We reserve the right to require any transaction to be conducted in paper

form. Signatures on paper transactions must be certified or guaranteed as provided in § 363.43.

§ 363.29 May Treasury close an account, suspend transactions in an account, or refuse to open an account?

We reserve the right to take any of the following actions if, in our sole discretion, we deem the action to be in the best interests of the United States:

- (a) Refuse to open an account for any person;
- (b) Close any existing account;
- (c) Suspend transactions with respect to an account or any security held in an account; or
- (d) Take any other action with regard to any account that we deem necessary, if not inconsistent with existing law and existing rights.

■ 36. Amend § 363.42 by removing the words "Series I" from the section.

■ 37. Amend § 363.43 by revising paragraph (a)(4)(i) to read as follows:

§ 363.43 What are the procedures for certifying my signature on an offline application for a TreasuryDirect account, or on an offline transaction form?

(a) * * * * *

(4) * * * * *

(i) We require a statement that the person executing the assignment is one whose signature the officer is authorized to certify under our regulations.

* * * * *

■ 38. Add §§ 363.44, 363.45, and 363.46 to read as follows:

§ 363.44 What happens when a TreasuryDirect account owner dies and the estate is entitled to securities held in the account?

(a) *Estate is being administered.* (1) A legal representative of a deceased owner's estate may request payment of securities, if the securities are eligible for payment, to the estate or to the persons entitled, or may request transfer of the securities to the TreasuryDirect account of the persons entitled, if the securities are eligible for transfer.

(2) We will require appropriate proof of appointment for the legal representative of the estate. Letters of appointment must be dated not more than one year prior to the date of submission of the letters of appointment.

(3) The legal representative of the estate may not purchase securities on behalf of the estate.

(4) If payment is requested, we will require ACH instructions to process the request.

(b) *Estate has been settled previously.* If the estate has been settled previously through judicial proceedings, the

persons entitled may request payment of securities, if the securities are eligible for redemption, or may transfer the securities to the TreasuryDirect accounts of the persons entitled, if the securities are eligible for transfer. We will require a certified copy of the court-approved final accounting for the estate, the court's decree of distribution, or other appropriate evidence. If payment is requested, we will require ACH instructions to process the request.

(c) *Special provisions under the law of the jurisdiction of the decedent's domicile.* If there is no formal or regular administration and no representative of the estate is to be appointed, the person appointed to receive or distribute the assets of a decedent's estate without regular administration under summary or small estates procedures under applicable local law may request payment of securities, if the securities are eligible for redemption, or may transfer the securities to or on behalf of the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death, if the securities are eligible for transfer. We will require appropriate evidence. If payment is requested, we will require ACH instructions to process the request.

(d) *When administration is required.* If the total redemption value of the Treasury securities and undelivered payments, if any, held directly on our records that are the property of the decedent's estate is greater than \$100,000, administration of the decedent's estate will be required. The redemption value of savings bonds and the principal amount of marketable securities will be used to determine the value of securities, and will be determined as of the date of death. Administration may also be required at the discretion of the Department for any case.

(e) *Voluntary representative for small estates that are not being otherwise administered.* (1) *General.* A voluntary representative is a person qualified according to paragraph (e)(3) of this section, to redeem or transfer a decedent's securities. The voluntary representative procedures are for the convenience of the Department; entitlement to the decedent's securities and held payments, if any, is determined by the law of the jurisdiction in which the decedent was domiciled at the date of death. Voluntary representative procedures may be used only if:

(i) There has been no administration, no administration is contemplated, and no summary or small estate procedures under applicable local law have been used;

(ii) The total redemption value of the Treasury securities and held payments, if any, held directly on our records that are the property of the decedent's estate is \$100,000 or less, as of the date of death, and

(iii) There is a person eligible to serve as the voluntary representative according to paragraph (e)(3) of this section.

(2) *Authority of voluntary representative.* A voluntary representative may:

(i) Redeem the decedent's savings bonds that are eligible for redemption. Payment may be made to the voluntary representative on behalf of or directly to the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death;

(ii) Transfer the decedent's securities to the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death.

(3) *Order of precedence for voluntary representative.* An individual eighteen years of age or older may act as a voluntary representative according to the following order of precedence: a surviving spouse; if there is no surviving spouse, then a child of the decedent; if there are none of the above, then a descendant of a deceased child of the decedent; if there are none of the above, then a parent of the decedent; if there are none of the above, then a brother or sister of the decedent; if there are none of the above, then a descendant of a deceased brother or sister of the decedent; if there are none of the above, then a next of kin of the decedent, as determined by the laws of the decedent's domicile at the date of death. As used in this order of precedence, child means a natural or adopted child of the decedent.

(4) *Liability.* By serving, the voluntary representative warrants that the distribution of payments or securities are to or on behalf of the persons entitled by the law of the jurisdiction in which the decedent was domiciled at the date of death. The United States is not liable to any person for the improper distribution of payments or securities. Upon payment or transfer of the securities to the voluntary representative, the United States is released to the same extent as if it had paid or delivered to a representative of the estate appointed pursuant to the law of the jurisdiction in which the decedent was domiciled at the date of death. The voluntary representative shall indemnify and hold harmless the United States and all creditors and persons entitled to the estate of the decedent. The amount of the indemnification is limited to an amount

no greater than the value received by the voluntary representative.

(5) *Creditor*. If there has been no administration, no administration is contemplated, no summary or small estate procedures under applicable local law have been used, and there is no person eligible to serve as a voluntary representative pursuant to paragraph (e) of this section, then a creditor may make a claim for payment of the amount of the debt, providing the debt has not been barred by applicable local law.

§ 363.45 What are the rules for judicial and administrative actions involving securities held in TreasuryDirect?

(a) *Notice of adverse claim or pending judicial proceedings*. We are not subject to and will not accept a notice of an adverse claim or notice of pending judicial proceedings involving a security held in TreasuryDirect.

(b) *Competing claims to a security*. The Department of the Treasury, Public Debt, and the Federal Reserve Banks are not proper defendants in a judicial proceeding involving competing claims to a security held in TreasuryDirect.

(c) *Divorce decree*. We will recognize a divorce decree that either disposes of a security held in TreasuryDirect or ratifies a property settlement agreement disposing of a security that is the property of either of the parties. If the divorce decree does not set out the terms of the property settlement agreement, we will require a certified copy of the agreement.

(d) *Final court order*. We will recognize a final order entered by a court that affects ownership rights in a security held in TreasuryDirect only to the extent that the order is consistent with the provisions of this part. The owner of the security must be a party to the proceedings.

(e) *Levy to satisfy money judgment*. We will honor a transaction request submitted by a person appointed by a court and having authority under an order of a court to dispose of a security held in TreasuryDirect pursuant to a money judgment against the owner of the security, as owner is defined in section 363.6 of this part. In the case of savings bonds, we will only make payment pursuant to the court order to the extent of the money judgment. We will not transfer the savings bonds.

(f) *IRS levy*. We will honor an IRS notice of levy under section 6331 of the Internal Revenue Code with respect to:

- (1) The owner, as owner is defined in section 363.6 of this part; and
- (2) A secondary owner, if the secondary owner has the right to conduct transactions in a security at the

date and time the notice of levy is delivered to Public Debt.

(g) *Trustee in bankruptcy, a receiver of an insolvent's estate, a receiver in equity, or a similar court officer*. We will honor a transaction request submitted by a trustee in bankruptcy, a receiver of an insolvent's estate, a receiver in equity, or a similar court officer, if the original court order is against the owner, as owner is defined in § 363.6 of this part. In the case of savings bonds, we will only make payment. We will not transfer the savings bonds.

(h) *Court order that attempts to defeat or impair survivorship rights*. We will not recognize a court order that attempts to defeat or impair the survivorship rights of a beneficiary, secondary owner, coowner of a converted savings bond, or the registered owner of an undelivered gift security held in TreasuryDirect.

§ 363.46 What evidence is required to establish the validity of judicial proceedings?

(a) We will require certified copies of the final judgment, decree, or court order, and any necessary supplementary proceedings.

(b) A transaction request by a trustee in bankruptcy or a receiver of an insolvent's estate must be supported by evidence of appointment and qualification.

(c) A transaction request by a receiver in equity or a similar court officer (other than a receiver of an insolvent's estate) must be supported by a copy of an order that authorizes the receiver or similar court officer to take possession and control of the security.

■ 39. Add §§ 363.47 to read as follows:

§ 363.47 Will Public Debt pay Treasury securities pursuant to a forfeiture proceeding?

(a) *General*. We will honor a judicial or administrative forfeiture order or declaration of forfeiture submitted by a federal agency. We will rely exclusively upon the information provided by the Federal forfeiting agency and will not make any independent evaluation of the validity of the forfeiture order, the request for payment, or the authority of the individual signing the transaction request. The amount to be paid or transferred is limited to the value of the security as of the date of forfeiture.

(b) *Definition of special terms relating to forfeitures*.

Contact point means the individual designated by the Federal investigative agency, United States Attorney's Office, or forfeiting agency, to receive referrals from Public Debt.

Forfeiting agency means the federal law enforcement agency responsible for the forfeiture.

Forfeiture means the process by which property may be forfeited by a federal agency. Administrative forfeiture is forfeiture by a federal agency without judicial proceedings resulting in a declaration of forfeiture; judicial forfeiture is a forfeiture through either a civil or criminal proceeding in a United States District Court resulting in a final judgment and order of forfeiture.

(c) *Procedures for a forfeiting agency to request forfeiture of Treasury securities*. A forfeiting agency must request forfeiture. An individual authorized by the forfeiting agency must sign the transaction request. The request must be mailed to the Department of the Treasury, Bureau of the Public Debt, Parkersburg, WV 26106-7015.

(d) *Public Debt procedures upon receipt of forfeiture request*. Upon receipt and review of the transaction request, we will make payment to the forfeiture fund specified, if the security is eligible for payment, or we will transfer the security pursuant to the transaction request. We will record the forfeiture, the forfeiture fund into which the proceeds were paid or the security transfer records, the contact point, and any related information.

(e) *Inquiries from previous owner*. All inquiries or claims from the previous owner will be referred to the contact point of the forfeiting agency. We will tell the person who inquired that we referred his or her inquiry to the contact point. We will not investigate the inquiry. We will defer to the forfeiting agency's determination of the appropriate course of action, including settlement where appropriate. Any settlement will be paid from the forfeiture fund into which the proceeds were deposited.

§ 363.51 [Removed and reserved]

■ 40. Remove and reserve § 363.51.

■ 41. Amend § 363.54 by revising the heading to read as follows:

§ 363.54 What is the minimum amount of a book-entry savings bond that I must hold in my account?

* * * * *

■ 42. Amend § 363.55 by revising paragraph (a) to read as follows:

§ 363.55 May I transfer my book-entry savings bond to another person?

(a) You may transfer a savings bond or a portion of a savings bond to the TreasuryDirect account of another individual in a minimum amount of \$25. The transfer may only be made as a gift or in response to a final judgment,

court order, divorce decree, or property settlement agreement. You must certify online that the transfer is a gift or a specified exception.

* * * * *

■ 43. Remove the undesignated center heading "Registration", located prior to 363.65.

§§ 363.65–363.69 [Removed and reserved]

■ 44. Remove and reserve §§ 363.65, 363.66, 363.67, 363.68, and 363.69.

■ 45. Amend § 363.83 by revising the heading to read as follows:

§ 363.83 May an account owner transfer a book-entry savings bond to a minor?

* * * * *

■ 46. Remove the undesignated center heading "Deceased Owners," located prior to § 363.90.

§ 363.90 [Removed and reserved]

■ 47. Remove and reserve § 363.90.

■ 48. Amend § 363.95 by revising the heading and the introductory text to read as follows:

§ 363.95 How may I give a book-entry savings bond as a gift?

You may give a book-entry savings bond as a gift in two ways:

* * * * *

■ 49. Amend § 363.97 by revising the heading to read as follows:

§ 363.97 What do I need to know if I transfer a book-entry savings bond to another person as a gift?

* * * * *

■ 50. Remove the undesignated center heading "Transactions," located prior to § 363.105.

§§ 363.105–363.107 [Removed and reserved]

■ 51. Remove and reserve §§ 363.105, 363.106, and 363.107.

■ 52. Remove the undesignated center heading "Judicial and Administrative Proceedings," located prior to § 363.110.

§§ 363.110–363.119 [Removed and reserved]

■ 53. Remove and reserve §§ 363.110 through 363.119.

■ 54. Amend § 363.125 by revising the heading to read as follows:

§ 363.125 How is payment made on a book-entry savings bond?

* * * * *

■ 55. Remove § 363.146.

§§ 363.147–363.149 [Removed and reserved]

■ 56. Remove and reserve §§ 363.147–363.149.

§ 363.150 [Reserved]

■ 57. Redesignate § 363.150 as § 363.146 and reserve § 363.150.

§§ 363.151–363.152 [Removed and reserved]

■ 58. Remove and reserve §§ 363.151 and 363.152.

■ 59. Amend § 363.160 by revising paragraph (a)(4) to read as follows:

§ 363.160 What subparts govern the conversion of definitive savings bonds?

(a) * * *

(4) Converted savings bonds of all series that are held as gift bonds by the person who converted the bonds.

* * * * *

■ 60. Amend § 363.165 by revising the heading and the first sentence of paragraph (b) to read as follows:

§ 363.165 What happens when I convert a savings bond that is registered in my name as the owner, either coowner, or the owner with a beneficiary?

* * * * *

(b) *Savings bond that has reached final maturity.* A savings bond that has reached final maturity and is registered in the name of the Treasury Direct account owner as single owner, either coowner, or owner with beneficiary, will be converted to a book-entry bond and automatically redeemed. * * *

■ 61. Amend § 363.166 by:

■ a. Revising the heading and the first sentence of paragraph (b)(1); and

■ b. Revising the heading and first sentence of paragraph (b)(2), to read as follows:

§ 363.166 What happens when I convert a savings bond that is not registered in my name as owner, either coowner, or owner with beneficiary (including a bond registered in the name of a minor)?

* * * * *

(b) *Savings bond that has reached final maturity.* (1) *General.* A savings bond that has reached final maturity and is registered in the name of someone other than the account owner will be converted to a book-entry bond, released as a gift bond into the account owner's conversion linked account, and automatically redeemed. * * *

(2) *Delivery of bond proceeds to registered owner.* If the gift bond has reached final maturity and has been automatically redeemed, then the Treasury Direct account owner may direct that the held redemption proceeds be delivered to the Treasury Direct account of the registered owner (or minor linked account, if the registered owner is a minor), where we will use the proceeds to purchase a certificate of indebtedness in the name of the registered owner. * * *

§§ 363.172–363.174 [Removed and reserved]

■ 62. Remove and reserve §§ 363.172, 363.173, and 363.174.

§ 363.175 [Removed and reserved]

■ 63. Remove and reserve §§ 363.175.

§ 363.177 [Removed and reserved]

■ 64. Remove and reserve §§ 363.177.

§ 363.178 [Removed and reserved]

■ 65. Remove and reserve §§ 363.178.

Dated: September 26, 2005.

Donald V. Hammond,

Fiscal Assistant Secretary.

[FR Doc. 05–19551 Filed 9–27–05; 12:41 pm]

BILLING CODE 4810–39–P

Department of the Treasury



Fiscal Service, Bureau of the Public Debt

**Part 353 - Regulations Governing United States
Savings Bonds, Series EE and HH**

**Department Circular
Public Debt Series No. 3-80**

(As of July 2005)

**PART 353—REGULATIONS GOV-
ERNING UNITED STATES SAVINGS
BONDS, SERIES EE AND HH**

Subpart A—General Information

- Sec.
- 353.0 Applicability.
- 353.1 Official agencies.
- 353.2 Definitions.
- 353.3 Converting definitive savings bonds to book-entry bonds in New Treasury Direct.

Subpart B—Registration

- 353.5 General rules.
- 353.6 Restrictions on registration.
- 353.7 Authorized forms of registration.
- 353.8 Chain letters prohibited.

**Subpart C—Limitations on Annual
Purchases**

- 353.10 Amounts which may be purchased.
- 353.11 Computation of amount.
- 353.12 Disposition of excess.
- 353.13 Employee plans—Conditions of eligibility.

**Subpart D—Limitations on Transfer or
Pledge**

- 353.15 Transfer.
- 353.16 Pledge.

Subpart E—Judicial Proceedings

- 353.20 General.
- 353.21 Payment to judgment creditors.
- 353.22 Payment or reissue pursuant to judgment.
- 353.23 Evidence.

§ 353.0

353.24 Payment pursuant to judicial or administrative forfeiture.

Subpart F—Relief for Loss, Theft, Destruction, Mutilation, Defacement, or Nonreceipt of Bonds

- 353.25 General.
- 353.26 Application for relief—After receipt of bond.
- 353.27 Application for relief—Nonreceipt of bond.
- 353.28 Recovery or receipt of bond before or after relief is granted.
- 353.29 Adjudication of claims.

Subpart G—Interest

- 353.30 Series EE bonds.
- 353.31 Series HH bonds.

Subpart H—General Provisions for Payment

- 353.35 Payment (redemption).
- 353.36 Payment during life of sole owner.
- 353.37 Payment during lives of both co-owners.
- 353.38 Payment during lifetime of owner of beneficiary bond.
- 353.39 Surrender for payment.
- 353.40 Special provisions for payment.
- 353.41 Partial redemption.
- 353.42 Nonreceipt or loss of check issued in payment.
- 353.43 Effective date of request for payment.
- 353.44 Withdrawal of request for payment.

Subpart I—Reissue and Denominational Exchange

- 353.45 General.
- 353.46 Effective date of request for reissue.
- 353.47 Authorized reissue—during lifetime.
- 353.48 Restrictions on reissue.
- 353.49 Correction of errors.
- 353.50 Change of name.
- 353.51 Requests for reissue.

Subpart J—Certifying Officers

- 353.55 Individuals authorized to certify.
- 353.56 General instructions and liability.
- 353.57 When a certifying officer may not certify.
- 353.58 Forms to be certified.

Subpart K—Minors, Incompetents, Aged Persons, Absentees, et al.

- 353.60 Payment to representative of an estate.
- 353.61 Payment after death.
- 353.62 Payment to minors.
- 353.63 Payment to a parent or other person on behalf of a minor.
- 353.64 Payment, reinvestment, or exchange—voluntary guardian of an incapacitated person.

31 CFR Ch. II (7–1–05 Edition)

353.65 Reissue.

Subpart L—Deceased Owner, Coowner or Beneficiary

- 353.70 General rules governing entitlement.
- 353.71 Decedent's estate
- 353.72 [Reserved]

Subpart M—Fiduciaries

- 353.75 Payment or reissue during the existence of the fiduciary estate.
- 353.76 Payment or reissue after termination of the fiduciary estate.
- 353.77 Exchanges by fiduciaries.

Subpart N—Private Organizations (Corporations, Associations, Partnerships, et cetera) and Governmental Agencies, Units and Officers

- 353.80 Payment to corporations or unincorporated associations.
- 353.81 Payment to partnerships.
- 353.82 Reissue or payment to successors of corporations, unincorporated associations, or partnerships.
- 353.83 Reissue or payment on dissolution of corporation or partnership.
- 353.84 Payment to certain institutions.
- 353.85 Reissue in name of trustee or agent for reinvestment purposes.
- 353.86 Reissue upon termination of investment agency.
- 353.87 Payment to governmental agencies, units, or their officers.

Subpart O—Miscellaneous Provisions

- 353.90 Waiver of regulations.
- 353.91 Additional requirements; bond of indemnity.
- 353.92 Supplements, amendments, or revisions.

AUTHORITY: 5 U.S.C. 301; 12 U.S.C. 391; 31 U.S.C. 3105, 3125.

SOURCE: 44 FR 76441, Dec. 26, 1979, unless otherwise noted.

Subpart A—General Information

§ 353.0 Applicability.

(a) The regulations in this part govern definitive (paper) Series EE savings bonds that have not been converted to book-entry bonds through New Treasury Direct and definitive Series HH savings bonds. These bonds bear issue dates of January 1, 1980, or thereafter.

(b) The regulations in 31 CFR part 315 govern all other definitive United States Savings Bonds and Savings Notes.

Fiscal Service, Treasury

§ 353.2

(c) The regulations in 31 CFR part 363 govern Series EE savings bonds that were originally issued as book-entry bonds in New Treasury Direct and Series EE savings bonds that were converted to book-entry bonds through New Treasury Direct.

[68 FR 24805, May 8, 2003, as amended at 70 FR 14941, Mar. 23, 2005]

§ 353.1 Official agencies.

(a) The Bureau of the Public Debt of the Department of the Treasury is responsible for administering the Savings Bonds Program. Authority to process

transactions has been delegated to Federal Reserve Banks and Branches in the list in paragraph (b) of this section, as fiscal agents of the United States.

(b) Communications concerning transactions and requests for forms should be addressed to:

(1) A Federal Reserve Bank or Branch in the list below; the Bureau of the Public Debt, 200 Third Street, Parkersburg, WV 26101; or the Bureau of the Public Debt, Washington, DC 20226.

(2)(i) The following Federal Reserve Offices have been designated to provide savings bond services:

Servicing office	Reserve districts served	Geographic area served
Federal Reserve Bank, Buffalo Branch, P.O. Box 961, Buffalo, NY 14240.	New York, Boston	CT, MA, ME, NH, NJ (northern half), NY (City & State), RI, VT, Puerto Rico and Virgin Islands.
Federal Reserve Bank, Pittsburgh Branch, P.O. Box 867, Pittsburgh, PA 15230.	Cleveland, Philadelphia.	DE, KY (eastern half), NJ (southern half), OH, PA, WV (northern panhandle).
Federal Reserve Bank of Richmond, P.O. Box 27622, Richmond, VA 23261.	Richmond, Atlanta	AL, DC, FL, LA (southern half), MD, MS (southern half), NC, SC, TN (eastern half), VA, WV (except northern panhandle).
Federal Reserve Bank of Minneapolis, 250 Marquette Avenue, Minneapolis, MN 55480.	Minneapolis, Chicago.	IA, IL (northern half), IN (northern half), MN, MT, ND, SD, WI.
Federal Reserve Bank of Kansas City, 925 Grand Avenue, Kansas City, MO 64198.	Dallas, San Francisco, Kansas City, St. Louis.	AK, AR, AZ, CA, CO, HI, ID, IL (southern half), IN (southern half), KS, KY (western half), LA (northern half), MO, NE, NM, NV, OK, OR, TN (western half), TX, WA, WY, UT and GU.

(ii) Until March 1, 1996, other Federal Reserve Offices may continue to provide some savings bond services, but such services will be phased out over the period prior to that date.

(c) Notices and documents must be filed with the agencies referred to above and as indicated in these regulations.

[44 FR 76441, Dec. 26, 1979, as amended at 59 FR 10541, Mar. 4, 1994]

§ 353.2 Definitions.

(a) *Bond, or Series EE or HH savings bond*, as used in this part, means a definitive United States Savings Bond of Series EE or HH.

(b) *Converted bond* means a savings bond originally issued as a definitive bond that has been surrendered to us and converted to a book-entry savings bond to be maintained by Treasury solely as a computer record.

(c) *Incompetent* means an individual who is incapable of handling his or her business affairs because of a legal,

mental or medical disability, except that a minor is not an incompetent solely because of age.

(d) *Issuing agent* means an organization that has been qualified under the provisions of Department of the Treasury Circular, Public Debt Series No. 4-67, current revision (31 CFR part 317), to issue savings bonds.

(e) *Paying agent* means a financial institution that has been qualified under the provisions of Department of the Treasury Circular No. 750, current revision (31 CFR part 321), to make payment of savings bonds.

(f) *Payment* means redemption, unless otherwise indicated by context.

(g) *Person* means any legal entity including, but without limitation, an individual, corporation (public or private), partnership, unincorporated association, or fiduciary estate.

(h) *Personal trust estates* means trust estates established by natural persons in their own right for the benefit of themselves or other natural persons in whole or in part, and common trust

§ 353.3

funds comprised in whole or in part of such trust estates.

(i) *Reissue* means the cancellation and retirement of a bond and the issuance of a new bond or bonds of the same series, same issue date, and same total face amount.

(j) *Representative of the estate of a minor, incompetent, aged person, absentee, et al.* means the court-appointed or otherwise qualified person, regardless of title, who is legally authorized to act for the individual. The term does not include parents in their own right, voluntary or natural guardians, or the executors or administrators of decedents' estates.

(k) *Surrender* means the actual receipt of a bond with an appropriate request for payment or reissue by either a Federal Reserve Bank or Branch, the Bureau of the Public Debt, or, if a paying agent is authorized to handle the transaction, the actual receipt of the bond and the request for payment by the paying agent.

(l) *Taxpayer identifying number* means a social security account number or an employer identification number.

(m) *Voluntary guardian* means an individual who is recognized as authorized to act for an incompetent, as provided by § 353.64.

[44 FR 76441, Dec. 26, 1979, as amended at 68 FR 24805, May 8, 2003; 70 FR 14941, Mar. 23, 2005]

§ 353.3 Converting definitive savings bonds to book-entry bonds in New Treasury Direct.

Series EE savings bonds that were originally issued as definitive bonds may be converted to book-entry bonds through New Treasury Direct, an on-line system for holding Treasury securities. The Web address for New Treasury Direct is <http://www.treasurydirect.gov>. Bond owners who wish to convert their definitive savings bonds should follow online instructions for conversion. Regulations governing converted bonds are found at 31 CFR part 363.

[70 FR 14941, Mar. 23, 2005]

31 CFR Ch. II (7–1–05 Edition)

Subpart B—Registration

§ 353.5 General rules.

(a) *Registration is conclusive of ownership.* Savings bonds are issued only in registered form. The registration must express the actual ownership of, and interest in, the bond. The registration is conclusive of ownership, except as provided in § 353.49.

(b) *Requests for registration.* Registrations requested must be clear, accurate and complete, conform substantially with one of the forms set forth in this subpart, and include the taxpayer identifying number of the owner or first-named coowner. The taxpayer identifying number of the second-named coowner or beneficiary is not required but its inclusion is desirable. The registration of all bonds owned by the same person, organization, or fiduciary should be uniform with respect to the name of the owner and any description of the fiduciary capacity. An individual should be designated by the name he or she is ordinarily known by or uses in business, including at least one full given name. The name may be preceded or followed by any applicable title, such as *Miss*, *Mr.*, *Mrs.*, *Ms.*, *Dr.*, *Rev.*, *M.D.*, or *D.D.*. A suffix, such as *Sr.* or *Jr.*, must be included when ordinarily used or when necessary to distinguish the owner from another member of his family. A married woman's own given name, not that of her husband, must be used; for example, *Mary A. Jones* or *Mrs. Mary A. Jones*, NOT *Mrs. Frank B. Jones*. The address must include, where appropriate, the number and street, route, or any other local feature, city, State, and ZIP Code.

(c) *Inscription of bonds purchased as gifts.* If the bonds are purchased as gifts, awards, prizes, etc., and the taxpayer identifying number of the intended owners is not known, the purchaser's number must be furnished. Bonds so inscribed will not be associated with the purchaser's own holdings. A bond registered in the name of a purchaser with another person as coowner or beneficiary is not considered a gift or an award. If the purchaser so requests, a bond may be inscribed to provide a "Mail to" instruction, followed by a delivery name and address.

Fiscal Service, Treasury

§ 353.7

No rights of ownership are conferred on such designee.

[44 FR 76441, Dec. 26, 1979, as amended at 55 FR 575, Jan. 5, 1990]

§ 353.6 Restrictions on registration.

(a) *Natural persons.* Only an individual in his or her own right may be designated as coowner or beneficiary along with any other individual, whether on original issue or reissue, except as provided in § 353.7(f).

(b) *Residence.* The designation of an owner or first-named coowner is restricted, on original issue only, to persons (whether individuals or others) who are:

(1) Residents of the United States, its territories or possessions, or the Commonwealth of Puerto Rico;

(2) Citizens of the United States residing abroad;

(3) Civilian employees of the United States or members of its armed forces, regardless of their residence or citizenship; and

(4) Residents of Canada or Mexico who work in the United States but only if the bonds are purchased on a payroll savings plan and the owner provides a taxpayer identifying number.

A nonresident alien may be designated coowner or beneficiary or, on authorized reissue, owner, unless the nonresident alien is a resident of an area with respect to which the Department of the Treasury restricts or regulates the delivery of checks drawn against funds of the United States or its agencies or instrumentalities. See Department of the Treasury Circular No. 655, current revision (31 CFR part 211). Registration is not permitted in any form which includes the name of any alien who is a resident of any restricted area.

(c) *Minors.* (1) Minors may purchase with their wages, earnings, or other funds belonging to them and under their control bonds registered in their names alone or with a coowner or beneficiary.

(2) Bonds purchased by another person with funds belonging to a minor not under legal guardianship or similar fiduciary estate must be registered, without a coowner or beneficiary, in the name of the minor or a natural guardian on behalf of a minor.

(3) Bonds purchased with funds of another may be registered to name the minor as owner, coowner, or beneficiary. If the minor is under legal guardianship or similar fiduciary estate, the registration must include an appropriate reference to it.

(4) Bonds purchased as a gift to a minor under a gift-to-minors statute must be registered as prescribed by the statute and no coowner or beneficiary may be named.

(5) Bonds purchased by a representative of a minor's estate must be registered in the name of the minor and must include in the registration an appropriate reference to the guardianship or similar fiduciary estate. Bonds purchased by a representative of the estates of two or more minors, even though appointed in a single proceeding, must be registered in the name of each minor separately with appropriate reference to the guardianship or similar fiduciary estate.

(d) *Incompetents.* Bonds may be registered to name as owner, coowner, or beneficiary an incompetent for whose estate a guardian or similar representative has been appointed, except that a coowner or beneficiary may not be named on bonds purchased with funds belonging to the incompetent. The registration must include appropriate reference to the guardianship or similar fiduciary estate. Bonds should not be registered in the name of an incompetent unless there is a representative for his or her estate, except as provided in § 353.64.

[44 FR 76441, Dec. 26, 1979, as amended at 63 FR 64551, Nov. 20, 1998]

§ 353.7 Authorized forms of registration.

Subject to any limitations or restrictions contained in these regulations on the right of any person to be named as owner, coowner, or beneficiary, bonds should be registered as indicated below. A savings bond inscribed in the form not substantially in agreement with one of the forms authorized by this subpart is not considered validly issued.

(a) *Natural persons.* A bond may be registered in the names of individuals in their own right, but only in one of

§ 353.7

31 CFR Ch. II (7-1-05 Edition)

the forms authorized by this paragraph.

(1) *Single ownership form.* A bond may be registered in the name of one individual. Example:

John A. Jones 123-45-6789.

(2) *Coownership form.* A bond may be registered in the names of two individuals in the alternative as coowners. The form of registration “A and B” is not authorized. Examples:

John A. Jones 123-45-6789 or Ella S. Jones 987-65-4321.

John A. Jones 123-45-6789 or (Miss, Ms. or Mrs.) Ella S. Jones.

Ella S. Jones 987-65-4321 or John A. Jones.

(3) *Beneficiary form.* A bond may be registered in the name of one individual payable on death to another. “Payable on death to” may be abbreviated to “P.O.D.” Examples:

John A. Jones 123-45-6789 payable on death to Mrs. Ella S. Jones.

John A. Jones 123-45-6789 P.O.D. Ella S. Jones 987-65-4321.

(b) *Fiduciaries (including legal guardians and similar representatives, certain custodians, natural guardians, executors, administrators, and trustees)*—(1) *General.* A bond may be registered in the name of any person or persons or any organization acting as fiduciary of a single fiduciary estate, but not where the fiduciary will hold the bond merely or principally as security for the performance of a duty, obligation, or service. Registration should conform to a form authorized by this paragraph. A coowner or beneficiary may be named only in accordance with the applicable provisions of § 353.6 (c) and (d). A common trust fund established and maintained by a financial institution authorized to act as a fiduciary will be considered a single fiduciary estate within the meaning of these regulations.

(2) *Legal guardians, conservators, similar representatives, certain custodians.* A bond may be registered in the name and title or capacity of the legally appointed or authorized representative of the estate of a minor, incompetent, aged or infirm person, absentee, et al., or in the name of that individual followed by an appropriate reference to the estate. Examples:

Tenth National Bank, guardian (or conservator, trustee, etc.) of the estate of George N. Brown 123-45-6789, a minor (or an incompetent, aged person, infirm person, or absentee).

Henry C. Smith, conservator of the estate of John R. White 123-45-6789, an adult, pursuant to Sec. 633.572 of the Iowa Code.

John F. Green 123-45-6789, a minor (or an incompetent) under custodianship by designation of the Veterans Administration.

Frank M. Redd 123-45-6789, an incompetent for whom Eric A. Redd has been designated trustee by the Department of the Army pursuant to 37 U.S.C. 602.

Arnold A. Ames, as custodian for Barry B. Bryan 123-45-6789, under the California Uniform Gifts to Minors Act.

Thomas J. Reed, as custodian for Lawrence W. Reed 123-45-6789, a minor, under laws of Georgia.

Richard A. Rowe 123-45-6789, for whom Reba L. Rowe is representative payee for social security benefits (or black lung benefits, as the case may be). (If the beneficiary is a minor, the words “a minor” should appear immediately after the social security number.)

Henry L. Green 123-45-6789 or George M. Brown, a minor under legal guardianship of the Tenth National Bank.

Henry L. Green 123-45-6789 P.O.D. George M. Brown, a minor under legal guardianship of the Tenth National Bank.

Redd State Hospital and School, selected payee for John A. Jones 123-45-6789, a Civil Service annuitant, pursuant to 5 U.S.C. 8345(e).

(3) *Natural guardians.* A bond may be registered in the name of either parent (natural and adoptive) of a minor, as natural guardian. The registration of a bond in this form is considered as establishing a fiduciary relationship. A coowner or beneficiary may be named but only if the funds used to purchase the bonds do not belong to the minor. Examples:

John A. Jones, as natural guardian for Henry M. Jones 123-45-6789.

Melba Smith, as natural guardian for Thelma Smith 123-45-6789 P.O.D. Bartholomew Smith.

(4) *Executors and administrators.* A bond may be registered in the name of the representative appointed by a court to act for an estate of a decedent, or in the name of an executor authorized to administer a trust under the terms of a will although not named trustee. The

name and capacity of all the representatives as shown in the letters of appointment must be included in the registration and be followed by an adequate identifying reference to the estate. Examples:

John H. Smith and Calvin N. Jones, executors of the will (or administrators of the estate) of Robert J. Smith, deceased, 12-3456789.

John H. Smith, executor of the will of Robert J. Smith, deceased, in trust for Mrs. Jane L. Smith, with remainder over, 12-3456789.

(5) *Trustees or life tenants under wills, deeds of trust, agreements, or similar instruments.* A bond may be registered in the name and title of the trustee of a trust estate, or in the name of a life tenant, followed by an adequate identifying reference to the authority governing the trust or life tenancy. Examples:

Thomas J. White and Tenth National Bank, trustees under the will of Robert J. Smith, deceased, 12-3456789.

Jane N. Black 123-45-6789, life tenant under the will of Robert J. Black, deceased.

Tenth National Bank, trustee under agreement with Paul E. White, dated 2/1/80, 12-3456789.

Carl A. Black and Henry B. Green, trustees under agreement with Paul E. White, dated 2/1/80, 12-3456789.

Paul E. White, trustee under declaration of trust dated 2/1/80, 12-3456789.

(i) If the trust instrument designates by title only an officer of a board or an organization as trustee, only the title of the officer should be used. Example:

Chairman, Board of Trustees, First Church of Christ, Scientist, of Chicago, Illinois, in trust under the will of Robert J. Smith, deceased, 12-3456789.

(ii) The names of all trustees, in the form used in the trust instrument, must be included in the registration, except as follows:

(A) If there are several trustees designated as a board or they are required to act as a unit, their names may be omitted and the words "Board of Trustees" substituted for the word "trustee". Example:

Board of Trustees of Immediate Relief Trust of Federal Aid Association, under trust indenture dated 2/1/80, 12-3456789.

(B) If the trustees do not constitute a board or are not required to act as a unit, and are too numerous to be designated in the registration by names and title, some or all the names may be omitted. Examples:

John A. Smith, Henry B. Jones, et al., trustees under the will of Edwin O. Mann, deceased, 12-3456789.

Trustees under the will of Edwin O. Mann, deceased, 12-3456789.

(6) *Employee thrift, savings, vacation and similar plans.* A bond may be registered in the name and title, or title alone, of the trustee of an eligible employee thrift, savings, vacation or similar plan, as defined in §353.13(a). If the instrument creating the trust provides that the trustees shall serve for a limited term, their names may be omitted. Examples:

Tenth National Bank, trustee of Pension Fund of Safety Manufacturing Company, U/A with the company, dated March 31, 1980, 12-3456789.

Trustees of Retirement Fund of Safety Manufacturing Company, under directors' resolution adopted March 31, 1980, 12-3456789.

County Trust company, trustee of the Employee Savings Plan of Jones Company, Inc., U/A dated January 17, 1980, 12-3456789.

Trustee of the Employee Savings Plan of Brown Brothers, Inc., U/A dated January 20, 1980, 12-3456789.

(7) *Funds of lodges, churches, societies, or similar organizations.* A bond may be registered in the title of the trustees, or a board of trustees, holding funds in trust for a lodge, church, or society, or similar organization, whether or not incorporated. Examples:

Trustees of the First Baptist Church, Akron, OH, acting as a Board under section 15 of its bylaws, 12-3456789.

Trustees of Jamestown Lodge No. 1000, Benevolent and Protective Order of Elks, under section 10 of its bylaws, 12-3456789.

Board of Trustees of Lotus Club, Washington, IN, under Article 10 of its constitution, 12-3456789.

(8) *Investment agents for religious, educational, charitable and non-profit organizations.* A bond may be registered in the name of a bank, trust company, or other financial institution, or an individual, as agent under an agreement with a religious, educational, charitable or non-profit organization, whether or not incorporated, if the

§ 353.7

31 CFR Ch. II (7–1–05 Edition)

agent holds funds for the sole purpose of investing them and paying the income to the organization. The name and designation of the agent must be followed by an adequate reference to the agreement. Examples:

Tenth National Bank, fiscal agent U/A with the Evangelical Lutheran Church of the Holy Trinity, dated 12/28/80, 12-3456789.

Sixth Trust Company, Investment Agent U/A dated September 16, 1980, with Central City Post, Department of Illinois, American Legion, 12-3456789.

John Jones, Investment Agent U/A dated September 16, 1980, with Central City Post, Department of Illinois, American Legion, 12-3456789.

(9) *Funds of school groups or activities.* A bond may be registered in the title of the principal or other officer of a public, private, or parochial school holding funds in trust for a student body fund or for a class, group, or activity. If the amount purchased for any one fund does not exceed \$2,500 (face amount), no reference need be made to a trust instrument. Examples:

Principal, Western High School, in trust for the Class of 1980 Library Fund, 12-3456789.

Director of Athletics, Western High School, in trust for Student Activities Association, under resolution adopted 5/12/80, 12-3456789.

(10) *Public corporations, bodies, or officers as trustees.* A bond may be registered in the name of a public corporation or a public body, or in the title of a public officer, acting as trustee under express authority of law, followed by an appropriate reference to the statute creating the trust. Examples:

Rhode Island Investment Commission, trustee of the General Sinking Fund under Title 35, Ch. 8, Gen. Laws of Rhode Island.

Superintendent of the Austin State Hospital Annex, in trust for the Benefit Fund under Article 3183C, Vernon's Civ. Stat. of Texas Ann.

(c) *Private organizations (corporations, associations, partnerships)*—(1) *General.* A bond may be registered in the name of any private organization in its own right. The full legal name of the organization as set forth in its charter, articles of incorporation, constitution, partnership agreement, or other authority from which its powers are derived, must be included in the registration and may be followed by a par-

enthetical reference to a particular account other than a trust account.

(2) *Corporations.* A bond may be registered in the name of a business, fraternal, religious, non-profit, or other private corporation. The words “a corporation” must be included in the registration unless the fact of incorporation is shown in the name. Examples:

Smith Manufacturing Company, a corporation, 12-3456789.

Green and Redd, Inc., 12-3456789 (Depreciation Acct.)

(3) *Unincorporated associations.* A bond may be registered in the name of a club, lodge, society, or a similar self-governing association which is unincorporated. The words “an unincorporated association” must be included in the registration. This form of registration must not be used for a trust fund, board of trustees, a partnership, or a sole proprietorship. If the association is chartered by or affiliated with a parent organization, the name or designation of the subordinate or local organization must be given first, followed by the name of the parent organization. The name of the parent organization may be placed in parentheses and, if well known, may be abbreviated. Examples:

The Lotus Club, an unincorporated association, 12-3456789.

Local 447, Brotherhood of Railroad Trainmen, an unincorporated association, 12-3456789.

Eureka Lodge 317 (A.F. and A.M.), an unincorporated association, 12-3456789.

(4) *Partnerships.* A bond may be registered in the name of a partnership. The words “a partnership” must be included in the registration. Examples:

Smith & Jones, a partnership, 12-3456789.

Acme Novelty Company, a partnership, 12-3456789.

(5) *Sole Proprietorships.* A bond may be registered in the name of an individual who is doing business as a sole proprietor. A reference may be made to the trade name under which the business is conducted. Example:

John Jones DBA Jones Roofing Company 123-45-6789.

(d) *Institutions (churches, hospitals, homes, schools, etc.)*. A bond may be registered in the name of a church, hospital, home, school, or similar institution conducted by a private organization or by private trustees, regardless of the manner in which it is organized or governed or title to its property is held. Descriptive words, such as "a corporation" or "an unincorporated association", must not be included in the registration. Examples:

Shriners' Hospital for Crippled Children, St. Louis, MO, 12-3456789.
St. Mary's Roman Catholic Church, Albany, NY, 12-3456789.
Rodeph Shalom Sunday School, Philadelphia, PA, 12-3456789.

(e) *States, public bodies and corporations, and public officers*. A bond may be registered in the name of a State, county, city, town, village, school district, or other political entity, public body, or corporation established by law (including a board, commission, administration, authority, or agency) which is the owner or official custodian of public funds, other than trust funds, or in the full legal title of the public officer having custody of the funds. Examples:

State of Maine.
Town of Rye, NY (Street Improvement Fund).
Maryland State Highway Administration.
Treasurer, City of Chicago.

(f) *The United States Treasury*. A person who desires to have a bond become the property of the United States upon his or her death may designate the United States Treasury as coowner or beneficiary. Examples:

George T. Jones 123-45-6789 or the United States Treasury.
George T. Jones 123-45-6789 P.O.D. the United States Treasury.

§ 353.8 Chain letters prohibited.

The issuance of bonds in the furtherance of a chain letter or pyramid scheme is considered to be against the public interest and is prohibited.

Subpart C—Limitations on Annual Purchases

§ 353.10 Amounts which may be purchased.

The amount of savings bonds of Series EE and HH which may be purchased and held, in the name of any one person in any one calendar year, is computed according to the provisions of § 353.11 and is limited as follows:

(a) *Series EE*—(1) *General annual limitation*. \$30,000 (principal amount).

(2) *Special limitation*. \$4,000 (face amount) multiplied by the highest number of employees participating in an eligible employee plan, as defined in § 353.13, at any time during the calendar year in which the bonds are issued.

(b) *Series HH*—(1) *General annual limitation*. \$20,000 (face amount).

(2) *Special limitation*. \$200,000 (face amount) for bonds received in a calendar year as gifts by an organization which at the time of purchase was an exempt organization under the terms of 26 CFR 1.501(c)(3)-1.

[44 FR 76441, Dec. 26, 1979, as amended at 68 FR 24805, May 8, 2003]

§ 353.11 Computation of amount.

(a) *General*. The purchases of bonds in the name of any person in an individual capacity are computed separately from purchases in a fiduciary capacity. A pension or retirement fund, or an investment, insurance, annuity, or similar fund or trust is regarded as an entity, regardless of the number of beneficiaries or the manner in which their shares or interests are established, determined, or segregated.

(b) *Bonds included in computation*. In computing the purchases for each person, the following outstanding bonds are included:

(1) All bonds registered in the name of that person alone;

(2) All bonds registered in the name of the representative of the estate of that person; and

(3) All bonds registered in the name of that person as first-named coowner.

(c) *Bonds excluded from computation*. In computing the purchases for each person, the following are excluded:

(1) Bonds on which that person is named beneficiary;

§ 353.12

(2) Bonds to which that person has become entitled—

(i) Under §353.70 as surviving beneficiary upon the death of the registered owner;

(ii) As an heir or a legatee of the deceased owner;

(iii) By virtue of the termination of a trust or the happening of a similar event;

(3) Bonds issued in an authorized exchange or reinvestment; and

(4) Bonds that are purchased and redeemed within the same calendar year.

[44 FR 76441, Dec. 26, 1979, as amended at 68 FR 24805, May 8, 2003]

§ 353.12 Disposition of excess.

If any person at any time has savings bonds issued during any one calendar year in excess of the prescribed amount, the Bureau of the Public Debt reserves the right to take any action that it deems necessary to adjust the excess. Instructions for adjustment of the excess can be obtained by email at savbonds@bpd.treas.gov or by writing to Bureau of the Public Debt, Parkersburg, WV 26106-1328.

[68 FR 24805, May 8, 2003]

§ 353.13 Employee plans—Conditions of eligibility.

(a) *Definition of plan.* Employee thrift, savings, vacation and similar plans are contributory plans established by the employer for the exclusive and irrevocable benefit of its employees or their beneficiaries. Each plan must afford employees the means of making regular savings from their wages through payroll deductions and provide for employer contributions to be added to these savings.

(b) *Definition of terms used in this section.* (1) The term *assets* means all the employees' contributions and assets purchased with them and the employer's contributions and assets purchased with them, as well as accretions, such as dividends on stock, the increment in value on bonds and all other income; but, notwithstanding any other provision of this section, the right to demand and receive *all assets* credited to the account of an employee shall not be construed to require the distribution of assets in kind when it would

31 CFR Ch. II (7-1-05 Edition)

not be possible or practicable to make such a distribution; for example, Series EE bonds may not be reissued in unauthorized denominations.

(2) The word *beneficiary* means: (i) The person or persons, if any, designated by the employee in accordance with the terms of the plan to receive the benefits of the plan upon the employee's death or (ii) the estate of the employee.

(c) *Conditions of eligibility.* An employee plan must conform to the following rules in order to be eligible for the special limitation provided in §353.10.

(1) *Crediting of assets.* All assets of a plan must be credited to the individual accounts of participating employees and may be distributed only to them or their beneficiaries, except as provided in paragraph (c)(3) of this section.

(2) *Purchase of bonds.* Bonds may be purchased only with assets credited to the accounts of participating employees and only if the amount taken from any account at any time for that purpose is equal to the purchase price of a bond or bonds in an authorized denomination or denominations, and shares in the bonds are credited to the accounts of the individuals from which the purchase price was derived, in amounts corresponding with their shares. For example, if \$50 credited to the account of John Jones is commingled with funds credited to the accounts of other employees to make a total of \$5,000 with which a Series EE bond in the denomination of \$10,000 (face amount) is purchased in December 1980 and registered in the name and title of the trustee, the plan must provide, in effect, that John Jones' account be credited to show that he is the owner of a Series EE bond in the denomination of \$100 (face amount) bearing an issue date of December 1, 1980.

(3) *Irrevocable right of withdrawal.* Each participating employee has an irrevocable right to request and receive from the trustee all assets credited to the employee's account (or their value, if the employee prefers) without regard to any conditions other than the loss or suspension of the privilege of participating further in the plan. A plan may limit or modify such right in any manner required for qualification of

Fiscal Service, Treasury

§ 353.21

the plan under section 401 of the Internal Revenue Code of 1954, as amended (26 U.S.C. section 401).

(4) *Rights of beneficiary.* Upon the death of an employee, his or her beneficiary shall have the absolute and unconditional right to demand and receive from the trustee all assets credited to the account of the employee or their value, if he or she so prefers.

(5) *Reissue or payment upon distribution.* When settlement is made with an employee or his or her beneficiary with respect to any bond registered in the name and title of the plan trustee in which the employee has a share, the bond must be paid or reissued to the extent of the share. If an employee or the beneficiary is to receive distribution in kind, bonds bearing the same issue dates as those credited to the employee's account will be reissued in the name of the employee or the employee's beneficiary to the extent entitled, in authorized denominations, in any authorized form of registration, upon the request and certification of the trustee.

(d) *Application for special limitation.* A trustee of an employee plan who desires to purchase bonds under the special limitation should submit to the designated Federal Reserve Bank or Branch a copy of:

(1) The plan, (2) any instructions issued under the plan that concern Series EE bonds, and (3) the trust agreement, in order to establish the plan's eligibility.

(e) *Vacation plans.* Savings bonds may be purchased under certain vacation plans. Questions concerning the eligibility of these plans to purchase bonds in excess of the general limitation should be addressed to the Bureau of the Public Debt, Parkersburg, WV 26101.

(31 U.S.C. 3105 and 3121)

[44 FR 76441, Dec. 26, 1979, as amended at 48 FR 55458, Dec. 13, 1983; 59 FR 10541, Mar. 4, 1994; 63 FR 64551, Nov. 20, 1998]

Subpart D—Limitations on Transfer or Pledge

§ 353.15 Transfer.

Savings bonds are not transferable and are payable only to the owners

named on the bonds, except as specifically provided in these regulations and then only in the manner and to the extent so provided.

§ 353.16 Pledge.

A savings bond may not be hypothecated, pledged, or used as security for the performance of an obligation.

Subpart E—Judicial Proceedings

§ 353.20 General.

(a) The Department of the Treasury will not recognize a judicial determination that gives effect to an attempted voluntary transfer inter vivos of a bond, or a judicial determination that impairs the rights of survivorship conferred by these regulations upon a co-owner or beneficiary. All provisions of this subpart are subject to these restrictions.

(b) The Department of the Treasury will recognize a claim against an owner of a savings bond and conflicting claims of ownership of, or interest in, a bond between coowners or between the registered owner and the beneficiary, if established by valid judicial proceedings, but only as specifically provided in this subpart. Section 353.23 specifies the evidence required to establish the validity of the judicial proceedings.

(c) The Department of the Treasury and the agencies that issue, reissue, or redeem savings bonds will not accept a notice of an adverse claim or notice of pending judicial proceedings, nor undertake to protect the interests of a litigant not in possession of a savings bond.

§ 353.21 Payment to judgment creditors.

(a) *Purchaser or officer under levy.* The Department of the Treasury will pay (but not reissue) a savings bond to the purchaser at a sale under a levy or to the officer authorized under appropriate process to levy upon property of the registered owner or coowner to satisfy a money judgment. Payment will be made only to the extent necessary to satisfy the money judgment. The

§ 353.22

amount paid is limited to the redemption value 60 days after the termination of the judicial proceedings. Except in a case of a levy by the Internal Revenue Service, payment of a bond registered in coownership form pursuant to a judgment or a levy against only one coowner is limited to the extent of that coowner's interest in the bond. That interest must be established by an agreement between the coowners by judgment, decree, or order of a court in a proceeding to which both coowners are parties. Payment of a bond registered in coownership form pursuant to levy by the Internal Revenue Service will be made if the levy is against either coowner on the bond.

(b) *Trustee in bankruptcy, receiver, or similar court officer.* The Department of the Treasury will pay, at current redemption value, a savings bond to a trustee in bankruptcy, a receiver of an insolvent's estate, a receiver in equity, or a similar court officer under the provisions of paragraph (a) of this section.

[44 FR 76441, Dec. 26, 1979, as amended at 63 FR 64551, Nov. 20, 1998]

§ 353.22 Payment or reissue pursuant to judgment.

(a) *Divorce.* The Department of the Treasury will recognize a divorce decree that ratifies or confirms a property settlement agreement disposing of bonds or that otherwise settles the interests of the parties in a bond. Reissue of a savings bond may be made to eliminate the name of one spouse as owner, coowner, or beneficiary or to substitute the name of one spouse for that of the other spouse as owner, coowner, or beneficiary pursuant to the decree. However, if the bond is registered in the name of one spouse with another person as coowner, there must be submitted either:

(1) A request for reissue by the other person or (2) a certified copy of a judgment, decree, or court order entered in proceedings to which the other person and the spouse named on the bond are parties, determining the extent of the interest of that spouse in the bond. Reissue will be permitted only to the extent of that spouse's interest. The evidence required under § 353.23 must be submitted in every case. When the divorce decree does not set out the terms

31 CFR Ch. II (7-1-05 Edition)

of the property settlement agreement, a certified copy of the agreement must be submitted. Payment, rather than reissue, will be made if requested.

(b) *Gift causa mortis.* A savings bond belonging solely to one individual will be paid or reissued at the request of the person found by a court to be entitled by reason of a gift causa mortis from the sole owner.

(c) *Date for determining rights.* When payment or reissue under this section is to be made, the rights of the parties will be those existing under the regulations current at the time of the entry of the final judgment, decree, or court order.

§ 353.23 Evidence.

(a) *General.* To establish the validity of judicial proceedings, certified copies of the final judgment, decree, or court order, and of any necessary supplementary proceedings, must be submitted. If the judgment, decree, or court order was rendered more than six months prior to the presentation of the bond, there must also be submitted a certification from the clerk of the court, under court seal, dated within six months of the presentation of the bond, showing that the judgment, decree, or court order is in full force.

(b) *Trustee in bankruptcy or receiver of an insolvent's estate.* A request for payment by a trustee in bankruptcy or a receiver of an insolvent's estate must be supported by appropriate evidence of appointment and qualification. The evidence must be certified by the clerk of the court, under court seal, as being in full force on a date that is not more than six months prior to the presentation of the bond.

(c) *Receiver in equity or similar court officer.* A request for payment by a receiver in equity or a similar court officer, other than a receiver of an insolvent's estate, must be supported by a copy of an order that authorizes the presentation of the bond for redemption, certified by the clerk of the court, under court seal, as being in full force on a date that is not more than six months prior to the presentation of the bond.

§ 353.24 Payment pursuant to judicial or administrative forfeiture.

(a) *Definitions.* As used in this part:

(1) *Contact point* means the individual designated to receive referrals from the Bureau of the Public Debt, as provided for in this section, by the Federal investigative agency, United States Attorney's Office, or forfeiting agency specified in Public Debt Form 1522.

(2) *Forfeiting agency* means the federal law enforcement agency responsible for the forfeiture.

(3) *Forfeiture*—(i) *Administrative forfeiture* means the process by which property may be forfeited by a Federal agency rather than through judicial proceedings.

(ii) *Judicial forfeiture* means either a civil or a criminal proceeding in a United States District Court that may result in a final judgment and order of forfeiture.

(4) *Public Debt Form 1522* means the written notification of the forfeiture provided by the forfeiting agency to the Bureau of the Public Debt on a Public Debt Form 1522 Special Form of Request for Payment of United States Savings and Retirement Securities Where Use of a Detached Request Is Authorized. Public Debt Form 1522 must specify: the contact point; the issue date of each bond; the serial number for each bond; the date of forfeiture; the forfeiture fund to which payment is to be made; and be signed by an individual authorized by the forfeiting agency. The forfeited bonds and the completed Public Debt Form 1522 are to be mailed to the Department of the Treasury, Bureau of the Public Debt, Parkersburg, WV 26106-1328.

(b) *Forfeiture of bond.* (1) Upon receipt and review of the Public Debt Form 1522, as described in (a)(4) above, the Bureau of the Public Debt will make payment to the forfeiture fund specified on the form.

(2) The Bureau of the Public Debt will record the forfeiture, the forfeiture fund into which the proceeds were paid, the contact point, and any related information.

(3) The Bureau of the Public Debt will rely exclusively upon the information provided by the Federal agency in the Public Debt Form 1522 and will not make any independent evaluation of

the validity of the forfeiture order, the request for payment, or the authority of the individual signing the request for payment.

(4) The amount paid is limited to the redemption value of the savings bonds as of the date of forfeiture specified in the Public Debt Form 1522.

(c) *Inquiry from previous owner.* (1) Upon payment made pursuant to (b), all inquiries from the previous owner, including requests for payment, re-issue, or applications for relief, related to forfeited savings bonds will be referred by the Bureau of the Public Debt to the contact point named in the Public Debt Form 1522.

(2) The Bureau of the Public Debt will notify the submitter of the inquiry of the referral to the contact point.

(3) The Bureau of the Public Debt will not investigate the inquiry and will defer to the forfeiting agency's determination of the appropriate course of action, including settlement where appropriate. Any settlement will be paid from the forfeiture fund into which the proceeds were deposited.

[61 FR 53822, Oct. 15, 1996]

Subpart F—Relief for Loss, Theft, Destruction, Mutilation, Defacement, or Nonreceipt of Bonds**§ 353.25 General.**

Relief, by the issue of a substitute bond or by payment, is authorized for the loss, theft, destruction, mutilation, or defacement of a bond after receipt by the owner or his or her representative. As a condition for granting relief, the Commissioner of the Public Debt, as designee of the Secretary of the Treasury, may require a bond of indemnity, in the form, and with the surety, or security, he considers necessary to protect the interests of the United States. In all cases the savings bond must be identified by serial number and the applicant must submit satisfactory evidence of the loss, theft, or destruction, or a satisfactory explanation of the mutilation or defacement.

§ 353.26

§ 353.26 Application for relief—After receipt of bond.

(a) If the serial numbers of the lost, stolen, or destroyed bonds are known, the claimant should execute an application for relief on the appropriate form and submit it to the Bureau of the Public Debt, Parkersburg, WV 26101.

(b) If the bond serial number is not known, the claimant must provide sufficient information to enable the Bureau of the Public Debt to identify the bond by serial number. See § 353.29(c). The Bureau will furnish the proper application form and instructions.

(c) If applicable, a defaced bond and all available fragments of a mutilated bond should be submitted to the Bureau.

(d) The application must be made by the person or persons (including both coowners, if living) authorized under these regulations to request payment of the bond. In addition:

(1) If the bond is in beneficiary form and the owner and beneficiary are both living, both will ordinarily be required to join in the application.

(2) If a minor named on a bond as owner, coowner, or beneficiary is not of sufficient competency and understanding to request payment, both parents will ordinarily be required to join in the application.

(e) If the application is approved, relief will be granted either by the issuance of a bond bearing the same issue date as the bond for which the claim was filed or by the issuance of a check in payment.

§ 353.27 Application for relief—Non-receipt of bond.

If a bond issued on any transaction is not received, the issuing agent must be notified as promptly as possible and given all information about the non-receipt. An appropriate form and instructions will be provided. If the application is approved, relief will be granted by the issuance of a bond bearing the same issue date as the bond that was not received. Also, relief is authorized for the issuance of bonds for which the Secretary has not received payment, in

31 CFR Ch. II (7–1–05 Edition)

order to preserve public confidence in dealing with issuing agents.

[63 FR 64551, Nov. 20, 1998]

§ 353.28 Recovery or receipt of bond before or after relief is granted.

(a) If a bond reported lost, stolen, destroyed, or not received, is recovered or received before relief is granted, the Bureau of the Public Debt, Parkersburg, WV 26101, must be notified promptly.

(b) A bond for which relief has been granted is the property of the United States and, if recovered, must be promptly submitted to the Bureau of the Public Debt, Parkersburg, WV 26101, for cancellation.

§ 353.29 Adjudication of claims.

(a) *General.* The Bureau of the Public Debt will adjudicate claims for lost, stolen or destroyed bonds on the basis of records created and regularly maintained in the ordinary course of business.

(b) *Claims filed 10 years after payment.* A bond for which no claim has been filed within 10 years of the recorded date of redemption will be presumed to have been properly paid. If a claim is subsequently filed, a photographic copy of the bond will not be available to support the disallowance.

(c) *Claims filed six years after final maturity.* No claim filed six years or more after the final maturity of a savings bond will be entertained unless the claimant supplies the serial number of the bond.

Subpart G—Interest

§ 353.30 Series EE bonds.

Series EE bonds are issued at a discount. The accrued interest is added to the issue price at stated intervals and is payable only at redemption as part of the redemption value. Information regarding interest rates and redemption values is found in Department of the Treasury Circular, Public Debt Series No. 1–80 (31 CFR part 351).

§ 353.31 Series HH bonds.

(a) *General.* Series HH bonds are current income bonds issued at par (face amount). Interest on a Series HH bond

is paid semiannually beginning six months from the issue date. Interest ceases at final maturity, or, if the bond is redeemed prior to final maturity, as of the end of the interest period last preceding the date of redemption. For example, if a bond on which interest is payable on January 1 and July 1 is redeemed on September 1, interest ceases as of the preceding July 1, and no interest will be paid for the period from July 1 to September 1. However, if the redemption date falls on an interest payment date, interest ceases on that date. Information regarding interest rates is found in Department of the Treasury Circular, Public Debt Series No. 2-80, current revision (31 CFR part 352).

(b) *Payment of interest.* Series HH bond interest accounts are maintained by the Bureau of the Public Debt, Parkersburg, WV. Interest on bonds issued on or after October 1, 1989 will be paid on each interest due date by the Automated Clearing House (ACH) method to the owner or coowner's account at a financial institution, unless the Bureau determines that extraordinary circumstances warrant payment by check or other means. Interest on bonds issued prior to October 1, 1989, is payable by check drawn to the order of the owner or both coowners or, upon request, by the ACH method to the owner or coowner's account at a financial institution. Checks will be mailed to the delivery address provided to the Bureau. Deposit account information for ACH payments shall be provided on the form designated by the Bureau. Series H interest payments made by the ACH method are governed by the regulations at 31 CFR part 370.

(Approved by the Office of Management and Budget under control number 1535-0094)

(c) *Delivery of interest.* Notices affecting the delivery of interest payments. To ensure appropriate action, notices affecting the delivery of interest payments on Series HH bonds must be received by the Bureau of the Public Debt, Parkersburg, WV 26102-1328, at least one month prior to the interest payment date. Each notice must include the owner or coowner's name and the taxpayer identifying number ap-

pearing on the account under which records of the bonds are maintained.

(d) *Reissue during interest period.* Physical reissue of a Series HH bond may be made without regard to interest payment dates. The Series HH interest accounts maintained by the Bureau of the Public Debt will be closed in the first week of the month preceding each interest payment date, and payments will be made pursuant to the information contained in the accounts as of the date they are closed.

(e) *Endorsement of checks.* Interest checks must be endorsed in accordance with the regulations governing the payment of fiscal agency checks, as contained in 31 CFR part 355.

(f) *Payment of interest by the ACH method—(1) Submission of deposit account information.* Payments on all Series HH bonds assigned to the same account maintained by the Bureau must be made to the same deposit account at a financial institution.

(2) *Deposit account held by individuals in their own right.* Where the Series HH bonds are registered in the name of individual(s) as sole owner, or as owner and beneficiary, and the deposit account at the financial institution is held in the name of individual(s) in their own right, the owner's name must appear on the deposit account. Where the bonds are registered in the names of two individuals as coowners and the deposit account is held in the name of individual(s) in their own right, the registration of the bonds and the title of the account must contain at least one name that is common to both. The deposit account to which the interest payments are directed should preferably be established in a form identical to the registration of the bonds to ensure that rights of ownership and survivorship can be more easily identified and preserved. Neither the United States nor any Federal Reserve Bank shall be liable for any loss sustained because the interest of the holder(s) of a deposit account to which payments are made are not the same as the owner(s) of the bonds.

(3) *Deposit account held by organization.* Where the deposit account to which interest payments are to be directed is held in the name of the financial institution itself acting as sole

§ 353.35

trustee, or as co-trustee, or is the name of a commercially-managed investment fund, the owner or coowner should inquire whether the financial institution is able to receive ACH payments; if not, the owner or coowner should make alternative arrangements.

(4) *Financial institution cannot accept ACH payments.* If after submission of deposit account information, it is determined that ACH payments cannot be accepted by the designated financial institution, pending receipt of new deposit account information, payment will be made by check drawn to the registered owner or both coowners and mailed to the address of record.

(5) *Cancellation of ACH arrangement.* (i) Bonds issued on or after October 1, 1989. As set forth in paragraph (b) of this section and in the Series HH offering contained in Circular No. 2-80, interest on Series HH bonds issued on or after October 1, 1989, will be paid by the ACH method. In the absence of extraordinary circumstances, a request to discontinue payment by the ACH method in favor of payment by check will not be accepted.

(ii) Bonds issued prior to October 1, 1989. An ACH arrangement established for Series HH bonds issued prior to October 1, 1989, shall remain in effect until it is terminated by a request from the owner or coowner submitted to the Bureau of the Public Debt, Parkersburg, WV 26102-1328.

(6) *Rules.* Series HH interest payments made by the ACH method are governed by the regulations at 31 CFR part 370.

(7) *Nonreceipt or loss of interest payment.* The Bureau of the Public Debt, Parkersburg, WV 26102 should be notified if:

(i) An interest check is not received or is lost after receipt or

(ii) An ACH payment is not credited to the designated account and the financial institution has no record of receiving it. The notice should include the owner or coowner's name and taxpayer identifying number and the interest payment date.

[54 FR 40254, Sept. 29, 1989, as amended at 59 FR 10541, Mar. 4, 1994; 64 FR 40487, July 26, 1999]

31 CFR Ch. II (7-1-05 Edition)

Subpart H—General Provisions for Payment

§ 353.35 Payment (redemption).

(a) *General.* Payment of a savings bond will be made to the person or persons entitled under the provisions of these regulations, except that checks in payment will not be delivered to addresses in areas with respect to which the Department of the Treasury restricts or regulates the delivery of checks drawn against funds of the United States. See Department of the Treasury Circular No. 655, current revision (31 CFR part 211). Payment will be made without regard to any notice of adverse claims to a bond and no stoppage or caveat against payment of a bond will be entered.

(b) A Series EE bond issued on January 1, 2003, or earlier, will be paid at any time after 6 months from its issue date. A Series EE bond issued on February 1, 2003, or thereafter, will be paid at any time after 12 months from its issue date. Bonds will be paid at the current redemption value shown in Department of the Treasury Circular, Public Debt Series No. 1-80 (31 CFR part 351).

(c) *Series HH.* A Series HH bond will be paid at any time after six months from issue date. A Series HH bond issued in an authorized exchange or reinvestment transaction will be paid at face value. A Series HH bond issued for cash will be paid at the current redemption value shown in Department of the Treasury Circular, Public Debt Series No. 2-80, Second Revision (31 CFR part 352). If the bond is redeemed at less than face value, the difference represents an adjustment of interest. In any case where Series HH bonds are surrendered to a designated Federal Reserve Bank or Branch or the Bureau of the Public Debt, Parkersburg, WV 26106-1328, for redemption in the month prior to an interest payment date, redemption will not be deferred but will be made in regular course, unless the presenter specifically requests that the transaction be delayed until that date. A request to defer redemption made

more than one month preceding the interest payment date will not be accepted.

[44 FR 76441, Dec. 26, 1979, as amended at 51 FR 23754, July 1, 1986; 59 FR 10541, Mar. 4, 1994; 68 FR 2667, Jan. 17, 2003; 68 FR 7427, Feb. 14, 2003]

§ 353.36 Payment during life of sole owner.

A savings bond registered in single ownership form (i.e., without a co-owner or beneficiary) will be paid to the owner during his or her lifetime upon surrender with an appropriate request.

§ 353.37 Payment during lives of both coowners.

A savings bond registered in co-ownership form will be paid to either coowner upon surrender with an appropriate request, and upon payment (as determined in § 353.43), the other co-owner will cease to have any interest in the bond. If both coowners request payment, payment will be made by check drawn in the form, "John A. Jones AND Mary C. Jones".

§ 353.38 Payment during lifetime of owner of beneficiary bond.

A savings bond registered in beneficiary form will be paid to the registered owner during his or her lifetime upon surrender with an appropriate request. Upon payment (as determined in § 353.43) the beneficiary will cease to have any interest in the bond.

§ 353.39 Surrender for payment.

(a) *Procedure for bonds of Series EE, in the names of individual owners or co-owners only.* An individual who is the owner or coowner of a Series EE bond may present the bond to an authorized paying agent for redemption. The presenter must be prepared to establish his or her identity in accordance with Treasury instructions and identification guidelines. The owner or coowner must sign the request for payment on the bond or, if authorized, on a separate detached request, and add his or her address. If the request for payment has been signed, or signed and certified, before presentation of the bond, the paying agent must be satisfied that the person presenting the bond for pay-

ment is the owner or coowner and may require the person to sign the request for payment again. If the bond is in order for payment, the paying agent will make immediate payment at the current redemption value without charge to the presenter. Paying agents are not authorized to process any case involving partial redemption or any case in which supporting evidence is required.

(b) *Procedure for all other cases.* In the case of bonds to which the procedure in paragraph (a) of this section, does not apply, or if otherwise preferred, the owner or coowner, or other person entitled to payment, should appear before an officer authorized to certify requests for payment, establish his or her identity, sign the request for payment, and provide information as to the address to which the check in payment is to be mailed. The bond must be forwarded to a designated Federal Reserve Bank or Branch or the Bureau of the Public Debt. Usually, payment will be expedited by submission to a designated Federal Reserve Bank or Branch. In all cases, the cost and risk of presentation of a bond will be borne by the owner. Payment will be made by check drawn to the order of the registered owner or other person entitled and will be mailed to the address requested.

(c) *Date of request.* Requests executed more than six months before the date of receipt of a bond for payment will not be accepted. Neither will a bond be accepted if payment is requested as of a date more than three months in the future.

[44 FR 76441, Dec. 26, 1979, as amended at 59 FR 10541, Mar. 4, 1994]

§ 353.40 Special provisions for payment.

(a) *Owner's signature not required.* A bond may be paid by a paying agent or a designated Federal Reserve Bank without the owner's signature to the request for payment, if the bond bears the special endorsement of a paying agent specifically qualified to place such an endorsement on savings bonds.

(b) *Signature by mark.* A signature by mark (X) must be witnessed by at least

§ 353.41

one disinterested person and a certifying officer. See subpart J. The witness must attest to the signature by mark substantially as follows: "Witness to signature by mark", followed by his or her signature and address.

(c) *Name change.* If the name of the owner, coowner, or other person entitled to payment, as it appears in the registration or in evidence on file in the Bureau of the Public Debt, has been changed in any legal manner, the signature to the request for payment must show both names and the manner in which the change was made; for example, "Mary T. Jones Smith (Mary T. J. Smith or Mary T. Smith) changed by marriage from Mary T. Jones", or "John R. Young, changed by order of court from Hans R. Jung". See § 353.50.

(d) *Attorneys-in-fact.* A request for payment, reinvestment, or exchange executed by an attorney-in-fact will be recognized if it is accompanied by a copy of the power of attorney which meets the following requirements:

(1) The power of attorney must bear the grantor's signature, properly certified or notarized, in accordance with applicable State law;

(2) The power of attorney must grant, by its terms, authority for the attorney-in-fact to sell or redeem the grantor's securities, sell his or her personal property, or, otherwise contain similar authority; and

(3) In the case of a grantor who has become incapacitated, the power of attorney must conform with pertinent provisions of State law concerning its durability. Generally, in such circumstances, the power of attorney should provide that the authority granted will not be affected by the subsequent incompetence or incapacity of the grantor. Medical evidence or other proof of the grantor's condition may be required in any case.

[45 FR 64091, Sept. 26, 1980, as amended at 57 FR 39602, Sept. 1, 1992; 59 FR 10541, Mar. 4, 1994]

§ 353.41 Partial redemption.

A bond of Series EE or HH may be redeemed in part at current redemption value, but only in amounts corresponding to authorized denominations, upon surrender of the bond to a designated Federal Reserve Bank or

31 CFR Ch. II (7-1-05 Edition)

Branch or to the Bureau of the Public Debt in accordance with § 353.39(b). In any case in which partial redemption is requested, the phrase "to the extent of \$____ (face amount) and reissue of the remainder" should be added to the request. Upon partial redemption of the bond, the remainder will be reissued as of the original issue date, as provided in subpart I.

[44 FR 76441, Dec. 26, 1979, as amended at 59 FR 10541, Mar. 4, 1994]

§ 353.42 Nonreceipt or loss of check issued in payment.

If a check in payment of a bond surrendered for redemption is not received within a reasonable time or is lost after receipt, notice should be given to the same agency to which the bond was surrendered for payment. The notice should give the date the bond was surrendered for payment and describe the bond by series, denomination, serial number, and registration, including the taxpayer identifying number of the owner.

§ 353.43 Effective date of request for payment.

The Department of the Treasury will treat the receipt of a bond with an appropriate request for payment by:

(a) A Federal Reserve Bank or Branch, (b) the Bureau of the Public Debt, or (c) a paying agent authorized to pay that bond, as the date upon which the rights of the parties are fixed for the purpose of payment.

§ 353.44 Withdrawal of request for payment.

(a) *Withdrawal by owner or coowner.* An owner or coowner, who has surrendered a bond to a Federal Reserve Bank or Branch or to the Bureau of the Public Debt or to an authorized paying agent with an appropriate request for payment, may withdraw the request if notice of intent to withdraw is received by the same agency prior to payment either in cash or through the issuance of the redemption check.

(b) *Withdrawal on behalf of deceased owner or incompetent.* A request for payment may be withdrawn under the same conditions as in paragraph (a) of this section by the executor or administrator of the estate of a deceased

owner or by the person or persons who could have been entitled to the bond under Subpart L, or by the legal representative of the estate of a person under legal disability, unless surrender of the bond for payment has eliminated the interest of a surviving coowner or beneficiary. See § 353.70 (b) and (c).

Subpart I—Reissue and Denominational Exchange

§ 353.45 General.

Reissue of a bond may be made only under the conditions specified in these regulations, and only at:

- (a) A Federal Reserve Bank or Branch, or
- (b) The Bureau of the Public Debt.

Reissue will not be made if the request is received less than one full calendar month before the final maturity date of a bond. The request, however, will be effective to establish ownership as though the requested reissue had been made.

§ 353.46 Effective date of request for reissue.

The Department of the Treasury will treat the receipt by: (a) A Federal Reserve Bank or Branch or (b) the Bureau of the Public Debt of a bond and an acceptable request for reissue as determining the date upon which the rights of the parties are fixed for the purpose of reissue. For example, if the owner or either coowner of a bond dies after the bond has been surrendered for reissue, the bond will be regarded as having been reissued in the decedent's lifetime.

§ 353.47 Authorized reissue—during lifetime.

A bond belonging to an individual may be reissued in any authorized form of registration upon an appropriate request for the purposes outlined below.

- (a) *Single ownership.* A bond registered in single ownership form may be reissued—

- (1) To add a coowner or beneficiary; or

- (2) To name a new owner, with or without a coowner or beneficiary, but only if:

- (i) The new owner is related to the previous owner by blood (including

legal adoption) or marriage; (ii) the previous owner and the new owner are parties to a divorce or annulment; or (iii) the new sole owner is the trustee of a personal trust estate which was created by the previous owner or which designates as beneficiary either the previous owner or a person related to him or her by blood (including legal adoption) or marriage.

- (b) *Coownership*—(1) *Reissue—to name a related individual as owner or coowner.* During the lifetime of both coowners, a coownership bond may be reissued in the name of another individual related by blood (including legal adoption) or marriage to either coowner:

- (i) As single owner,
- (ii) As owner with one of the original coowners as beneficiary, or
- (iii) As a new coowner with one of the original coowners.

- (2) *Reissue—to name either coowner alone or with another individual as co-owner or beneficiary.* During the lifetime of both coowners, a coownership bond may be reissued in the name of either coowner alone or with another individual as coowner or beneficiary if:

- (i) After issue of the submitted bond, either coowner named thereon marries, or the coowners are divorced or legally separated from each other, or their marriage is annulled; or

- (ii) Both coowners on the submitted bond are related by blood (including legal adoption) or marriage to each other.

- (3) *Reissue—to name the trustee of a personal trust estate.* A bond registered in coownership form may be reissued to name a trustee of a personal trust estate created by either coowner or by some other person if:

- (i) Either coowner is a beneficiary of the trust, or (ii) a beneficiary of the trust is related by blood or marriage to either coowner.

- (c) *Beneficiary.* A bond registered in beneficiary form may be reissued:

- (1) To name the beneficiary as coowner;

- (2) To substitute another individual as beneficiary; or

- (3) To eliminate the beneficiary, and, if the beneficiary is eliminated, to effect any of the reissues authorized by paragraph (a) of this section.

§ 353.48 Restrictions on reissue.

(a) *Denominational exchange.* Reissue is not permitted solely to change denominations.

(b) *United States Treasury.* Reissue may not be made to eliminate the United States Treasury as coowner.

§ 353.49 Correction of errors.

A bond may be reissued to correct an error in registration upon appropriate request supported by satisfactory proof of the error.

§ 353.50 Change of name.

An owner, coowner, or beneficiary whose name is changed by marriage, divorce, annulment, order of court, or in any other legal manner after the issue of the bond should submit the bond with a request for reissue to substitute the new name for the name inscribed on the bond. Documentary evidence may be required in any appropriate case.

§ 353.51 Requests for reissue.

A request for reissue of bonds in coownership form must be signed by both coowners, except that a request solely to eliminate the name of one coowner may be signed by that coowner only. A bond registered in beneficiary form may be reissued upon the request of the owner, without the consent of the beneficiary. Public Debt forms are available for requesting reissue.

Subpart J—Certifying Officers

§ 353.55 Individuals authorized to certify.

The following individuals are authorized to act as certifying officers for the purpose of certifying a request for payment, reissue, or a signature to a Public Debt form:

(a) *Officers generally authorized—*(1) *At banks, trust companies, and member organizations of the Federal Home Loan Bank System.*

(i) Any officer of a bank incorporated in the United States, the territories or possessions of the United States, or the Commonwealth of Puerto Rico.

(ii) Any officer of a trust company incorporated in the United States, the territories or possessions of the United

States, or the Commonwealth of Puerto Rico.

(iii) Any officer of an organization that is a member of the Federal Home Loan Bank System. This includes Federal savings and loan associations.

(iv) Any officer of a foreign branch or a domestic branch of an institution indicated in paragraphs (a)(1)(i) through (iii) of this section.

(v) Any officer of a Federal Reserve Bank, a Federal Land Bank, or a Federal Home Loan Bank.

(vi) Any employee of an institution in paragraphs (a)(1)(i) through (v) of this section, who is expressly authorized to certify by the institution.

Certification by these officers or designated employees must be authenticated by a legible imprint of either the corporate seal of the institution or of the issuing or paying agent's stamp. The employee expressly authorized to certify by an institution must sign his or her name over the title "Designated Employee".

(2) *At issuing agents that are not banks or trust companies.* Any officer of an organization, not a bank or a trust company, that is qualified as an issuing agent for bonds of Series EE. The agent's stamp must be imprinted in the certification.

(3) *By United States officials.* Any judge, clerk, or deputy clerk of a United States court, including United States courts for the territories and possessions of the United States and the Commonwealth of Puerto Rico; any United States Commissioner, United States Attorney, or United States Collector of Customs, including their deputies; in the Internal Revenue Service, any Regional Commissioner, District Director, Service Center Director, or Internal Revenue agent.

(b) *Officers with limited authority—*(1) *In the Armed Forces.* Any commissioned officer or warrant officer of the Armed Forces of the United States, but only for members of the respective services, their families, and civilian employees at posts, bases, or stations. The certifying officer must indicate his or her rank and state that the individual signing the request is one of the class whose request the certifying officer is authorized to certify.

Fiscal Service, Treasury

§ 353.60

(2) *At the Veterans Administration, Federal penal institutions, and United States Public Health Service hospitals.* Any officer in charge of a home, hospital, or other facility of the Veterans Administration, but only for the patients, or employees of the facility; any officer of a Federal penal institution or a United States Public Health Service hospital expressly authorized to certify by the Secretary of the Treasury or his designee, but only for the inmates, patients or employees of the institution involved. Officers of Veterans Administration facilities, Federal penal institutions, and Public Health Service hospitals must use the stamp or seal of the particular institution or service.

(c) *Authorized officers in foreign countries.* Any United States diplomatic or consular representative, or the officer of a foreign branch of a bank or trust company incorporated in the United States whose signature is attested by an imprint of the corporate seal or is certified to the Department of the Treasury. If none of these individuals is available, a notary public or other officer authorized to administer oaths may certify, but his or her official character and jurisdiction must be certified by a United States diplomatic or consular officer under seal of his or her office.

(d) *Authorized officers in particular localities.* The Governor and the Treasurer of Puerto Rico; the Governor and the Commissioner of Finance of the Virgin Islands; the Governor and the Director of Finance of Guam; the Governor and the Director of Administrative Services of American Samoa; or designated officers of the Panama Canal Commission.

(e) *Special provisions.* If no certifying officer is readily accessible, the Commissioner of the Public Debt, Deputy Commissioner, any Assistant Commissioner, or other designated official of the Bureau or of a Federal Reserve Bank or Branch is authorized to make special provision for any particular case.

§ 353.56 General instructions and liability.

(a) The certifying officer must: (1) Require the person presenting a bond, or an appropriate Public Debt trans-

action form, to establish his or her identity in accordance with Department of the Treasury instructions and identification guidelines;

(2) Place a notation on the back of the bond or on the appropriate Public Debt transaction form, or in a separate record, showing exactly how identification was established; and

(3) Affix, as part of the certification, his or her official signature, title, seal or issuing or paying agent's stamp, address, and the date of execution.

(b) The certifying officer and, if such person is an officer or an employee of an organization, the organization will be held fully responsible for the adequacy of the identification.

§ 353.57 When a certifying officer may not certify.

Certifying officers may not certify the requests for payment of bonds, or appropriate Public Debt transaction forms if, in their own right or in a representative capacity, they—

(a) Have an interest in the bonds, or

(b) Will, by virtue of the requests being certified, acquire an interest in the bonds.

§ 353.58 Forms to be certified.

When required in the instructions on a Public Debt transaction form, the form must be signed before an authorized certifying officer.

Subpart K—Minors, Incompetents, Aged Persons, Absentees, et al.

§ 353.60 Payment to representative of an estate.

(a) The representative of an estate of an owner who is a minor, an aged person, incompetent, absentee, et al., may receive payment upon request:

(1) If the registration shows the name and capacity of the representative;

(2) If the registration shows the capacity but not the name of the representative and the request is accompanied by appropriate evidence; or

(3) If the registration includes neither the name of the representative nor his or her capacity but the request is accompanied by appropriate evidence.

(b) Appropriate evidence for paragraphs (a) (2) and (3) of this section includes a certified copy of the letters of

§ 353.61

appointment or, if the representative is not appointed by a court, other proof of qualification. Except in the case of corporate fiduciaries, the evidence must show that the appointment is in full force and be dated not more than one year prior to the presentation of the bond for payment. The request for payment appearing on the back of a bond must be signed by the representative as such, for example, "John S. Jones, guardian (committee) of the estate of Henry W. Smith, a minor (an incompetent)".

§ 353.61 Payment after death.

After the death of the ward, and at any time prior to the representative's discharge, the representative of the estate will be entitled to obtain payment of a bond to which the ward was solely entitled.

§ 353.62 Payment to minors.

If the owner of a savings bond is a minor and the form of registration does not indicate that there is a representative of the minor's estate, payment will be made to the minor upon his or her request, provided the minor is of sufficient competency to sign the request for payment and to understand the nature of the transaction. In general, the fact that the request for payment has been signed by a minor and certified will be accepted as sufficient proof of competency and understanding.

§ 353.63 Payment to a parent or other person on behalf of a minor.

If the owner of a savings bond is a minor and the form of registration does not indicate that there is a representative of his or her estate, and if the minor is not of sufficient competency to sign the request for payment and to understand the nature of the transaction, payment will be made to either parent with whom the minor resides or to whom legal custody has been granted. If the minor does not reside with either parent, payment will be made to the person who furnishes the chief support for the minor. The request must appear on the back of the bond in one of the following forms:

(a) *Request by parent.*

31 CFR Ch. II (7-1-05 Edition)

I certify that I am the mother of John C. Jones (with whom he resides) (to whom legal custody has been granted). He is _____ years of age and is not of sufficient understanding to make this request.

Mary Jones on behalf of John C. Jones

(b) *Request by other person.*

I certify that John C. Jones does not reside with either parent and that I furnish his chief support. He is _____ years of age and is not of sufficient understanding to make this request.

Alice Brown, grandmother,

On behalf of John C. Jones

§ 353.64 Payment, reinvestment, or exchange—voluntary guardian of an incapacitated person.

(a) Payment of bonds. When an adult owner of bonds is incapable of requesting payment as a result of incapacity and there is no other person legally qualified to do so, the relative, or other person, responsible for the owner's care and support may submit an application for recognition as voluntary guardian for the purpose of redeeming the owner's bonds, if the total redemption value of all of the owner's bonds does not exceed \$20,000. The redemption value of the bonds shall be determined as of the date the bonds are received, accompanied by an appropriate request for payment. If the total redemption value exceeds \$20,000, a legal representative must be appointed, as set forth in § 315.60.

(b) Reinvestment of bonds. If the bonds have finally matured and it is desired to redeem them and reinvest the proceeds in other savings bonds, the new bonds must be registered in the name of the incapacitated person, followed by words showing that he or she is under voluntary guardianship; for example, "John Jones 123-45-6789, under voluntary guardianship". A living coowner or beneficiary named on the matured bonds must be designated on the new bonds, unless such person furnishes a certified statement consenting to omission of his or her name. If an amount insufficient to purchase an additional bond of any authorized denomination of either series remains after the reinvestment, the voluntary guardian may furnish additional funds sufficient to purchase another bond of

Fiscal Service, Treasury

§ 353.70

either series of the lowest available denomination. If additional funds are not furnished, the remaining amount will be paid to the voluntary guardian for the use and benefit of the incapacitated person.

(c) Exchange of bonds. The provisions for reinvestment of the proceeds of matured bonds are equally applicable to any authorized exchange of bonds of one series for those of another.

[57 FR 39602, Sept. 1, 1992]

§ 353.65 Reissue.

A bond on which a minor or other person under legal disability is named as the owner or coowner, or in which he or she has an interest, may be reissued under the following conditions:

(a) A minor for whose estate no representative has been appointed may request reissue if the minor is of sufficient competency to sign his or her name to the request and to understand the nature of the transaction.

(b) A bond on which a minor is named as beneficiary or coowner may be reissued in the name of a custodian for the minor under a statute authorizing gifts to minor upon the request of the adult whose name appears on the bond as owner or coowner.

(c) A minor coowner for whose estate no representative has been appointed, may be named sole owner upon the request of the competent coowner.

(d) Reissue to eliminate the name of a minor or incompetent for whose estate a legal representative has been appointed is permitted only if supported by evidence that a court has authorized the representative of the minor's or incompetent's estate to request the reissue. See § 353.23.

Except to the extent provided in paragraphs (a) through (d) of this section, reissue will be restricted to a form of registration which does not adversely affect the existing ownership or interest of a minor who is not of sufficient understanding to make a request, or other person under legal disability. Requests for reissue should be executed by the person authorized to request payment under §§ 353.60 and 353.63, or the person who may request

recognition as voluntary guardian under § 353.64.

[44 FR 76441, Dec. 26, 1979. Redesignated at 57 FR 39602, Sept. 1, 1992]

Subpart L—Deceased Owner, Coowner or Beneficiary

§ 353.70 General rules governing entitlement.

The following rules govern ownership or entitlement where one or both of the persons named on a bond have died without the bond having been surrendered for payment or reissue:

(a) *Single owner bond.* If the owner of a bond registered in single ownership form has died, the bond becomes the property of that decedent's estate, and payment or reissue will be made as provided in this subpart.

(b) *Coowner bond*—(1) *One coowner deceased.* If one of the coowners named on a bond has died, the surviving coowner will be recognized as the sole and absolute owner, and payment or reissue will be made as though the bond were registered in the name of the survivor alone. Any request for reissue by the surviving coowner must be supported by proof of death of the other coowner.

(2) *Both coowners deceased.* If both coowners named on a bond have died, the bond becomes the property of the estate of the coowner who died last, and payment or reissue will be made as if the bond were registered in the name of the last deceased coowner alone. Proof of death of both coowners will be required to establish the order of death.

(3) *Simultaneously death of both coowners.* If both coowners die under conditions where it cannot be established, either by presumption of law or otherwise, which coowner died first, the bond becomes the property of both equally, and payment or reissue will be made accordingly.

(c) *Beneficiary bond*—(1) *Owner deceased.* If the owner of a bond registered in beneficiary form has died and is survived by the beneficiary, upon proof of death of the owner, the beneficiary will be recognized as the sole and absolute owner of the bond. Payment or reissue will be made as though the bond were registered in the survivor's name alone. A request for payment or reissue by the beneficiary

must be supported by proof of death of the owner.

(2) *Beneficiary deceased.* If the beneficiary's death occurs before, or simultaneously with, that of the registered owner, payment or reissue will be made as though the bond were registered in the owner's name alone. Proof of death of the owner and beneficiary is required to establish the order of death.

(d) *Nonresident aliens.* If the person who becomes entitled to a bond because of the death of an owner is an alien who is a resident of an area with respect to which the Department of the Treasury restricts or regulates the delivery of checks drawn against funds of the United States or its agencies or instrumentalities, delivery of the redemption check will not be made so long as the restriction applies. See Department of the Treasury Circular No. 655, current revision (31 CFR part 211).

§ 353.71 Decedent's estate

(a) *Estate is being administered.* (1) Appropriate proof of appointment will be required for the legal representative of the estate. Letters of appointment must be dated within one year of submission.

(2) The bonds will be registered in the following form: "John Doe, SSN 123-45-6789, Legal Representative of the estate of James Doe, deceased, SSN 987-65-4321."

(3) The legal representative of the estate may request payment of bonds and held payments belonging to a decedent's estate, to the estate or to the person(s) entitled, or may have the bonds reissued to the person(s) entitled.

(b) *Estate has been settled previously.* If the estate has been previously settled through judicial proceedings, the person(s) entitled may request payment of bonds or may have the bonds reissued to the person(s) entitled. A certified copy of the court-approved final accounting for the estate, the court's decree of distribution, or other appropriate evidence will be required.

(c) *Summary administration procedures.* If there is no formal administration and no representative of the estate is to be appointed, the person(s) entitled under state law summary or small estates procedures may request payment

of bonds or may have the bonds reissued to the person(s) entitled. Appropriate evidence is required.

(d) *Survivors' order of precedence for payment or transfer.* Estates with bonds over \$100,000 redemption value must be administered. If there has been no administration, no administration is pending or contemplated, no summary or small estate procedures have been used, and the redemption value of the bonds is \$100,000 or less, then bonds may be paid or reissued to the persons named in the following order of precedence:

(1) There is a surviving spouse and no surviving child or descendant of a deceased child: to the surviving spouse.

(2) There is a surviving spouse and a child or children of the decedent, or descendants of deceased children: one-half to the surviving spouse and one-half to the child or children of the decedent, and the descendants of deceased children, by representation, or by agreement of all persons entitled in this class;

(3) There is no surviving spouse and there is a surviving child or descendant of deceased children: to the child or children of the decedent, and the descendants of deceased children, by representation.

(4) There are no surviving spouse, no surviving child, and no surviving descendants of deceased children: to the parents of the decedent, one-half to each, or in full to the survivor.

(5) There are no surviving spouse, no surviving child or surviving descendants of deceased children, and no surviving parents: to the brothers and sisters and descendants of deceased brothers and sisters by representation.

(6) There are no surviving spouse, no surviving child or surviving descendants of deceased children, no surviving parents, and no brothers or sisters or descendants of deceased brothers and sisters: to other next of kin, as determined by the laws of the decedent's domicile at the time of death.

(7) There are no surviving spouse, no surviving child or surviving descendants of deceased children, no surviving parents, no brothers or sisters or descendants of deceased brothers and sisters, and no next of kin, as determined by the laws of the decedent's domicile

at the time of death: to persons related to the decedent by marriage, *i.e.*, heirs of a spouse of the last decedent where the spouse predeceased that registrant.

(8) There are no surviving spouse, no surviving child or surviving descendants of deceased children, no surviving parents, no brothers or sisters or descendants of deceased brothers and sisters, no next of kin, as determined by the laws of the decedent's domicile at the time of death, and no persons related to the decedent by marriage: to the person who paid the burial and funeral expenses, or a creditor of the decedent's estate, but payment may be made only to the extent that the person has not been reimbursed. Transfers are not permitted.

(9) Escheat according to the applicable state law.

(e) When we make payments or reissues according to paragraph (d) of this section, we will make the payments to either a person individually, or individually and on behalf of all other persons entitled. A person who receives payment of bond proceeds individually and on behalf of others warrants that he or she will make distribution of the proceeds to the persons entitled by the law of the decedent's domicile. The provisions of this section are for the convenience of the United States and do not determine ownership of the bonds or their proceeds. The Department of the Treasury may rely on information provided by the person who requests payment or transfer, and is not liable for any action taken in reliance on the information furnished.

[68 FR 24805, May 8, 2003]

§ 353.72 [Reserved]

Subpart M—Fiduciaries

§ 353.75 Payment or reissue during the existence of the fiduciary estate.

(a) *Payment or reissue before maturity*—(1) *Request from the fiduciary named in the registration.* A request for reissue or payment prior to maturity must be signed by all of the fiduciaries unless by statute, decree of court, or the terms of the governing instrument, any lesser number may properly execute the request. If the fiduciaries named in the registration are still act-

ing, no further evidence will be required. In other cases, evidence to support the request will be required, as specified:

(i) *Fiduciaries by title only.* If the bond is registered only in the titles, without the names, of fiduciaries not acting as a board, satisfactory evidence of their incumbency must be furnished, except in the case of bonds registered in the title of public officers as trustees.

(ii) *Boards, committees, commission, etc.* If a bond is registered in the name of a governing body which is empowered to act as a unit, and which holds title to the property of a religious, educational, charitable or nonprofit organization or a public corporation, the request should be signed in the name of the body by an authorized person. Ordinarily, a signed and certified request will be accepted without further evidence.

(iii) *Corporate fiduciaries.* If a bond is registered in the name of a public or private corporation or a governmental body as fiduciary, the request must be signed by an authorized officer in the name of the organization as fiduciary. Ordinarily, a signed and certified request will be accepted without further evidence.

(2) *Trustee of a common trust fund.* A bond held by a financial institution in a fiduciary capacity may be reissued in the name of the institution as trustee of its common trust fund to the extent that participation in the common trust fund is authorized by law or regulation. The request for reissue should be executed by the institution and any co-fiduciary.

(3) *Successor fiduciary.* If the fiduciary in whose name the bond is registered has been replaced by another fiduciary, satisfactory evidence of successorship must be furnished.

(b) *Payment at or after final maturity.* At or after final maturity, a request for payment signed by any one or more of the fiduciaries will be accepted. Payment will be made by check drawn as the bond is registered.

§ 353.76 Payment or reissue after termination of the fiduciary estate.

A bond registered in the name or title of a fiduciary may be paid or reissued to the person who has become

§ 353.77

entitled by reason of the termination of a fiduciary estate. Requests for reissue made by a fiduciary pursuant to the termination of a fiduciary estate should be made on the appropriate form. Requests for payment or reissue by other than the fiduciary must be accompanied by evidence to show that the person has become entitled in accordance with applicable State law or otherwise. When two or more persons have become entitled, the request for payment or reissue must be signed by each of them.

§ 353.77 Exchanges by fiduciaries.

Fiduciaries are authorized to request an exchange of bonds of one series for those of another, pursuant to any applicable Department of the Treasury offering. A living coowner of beneficiary named on the bonds submitted in exchange may be retained in the same capacity on the new bonds.

Subpart N—Private Organizations (Corporations, Associations, Partnerships, et cetera) and Governmental Agencies, Units and Officers

§ 353.80 Payment to corporations or unincorporated associations.

A bond registered in the name of a private corporation or an unincorporated association will be paid to the corporation or unincorporated association upon a request for payment on its behalf by an authorized officer. The signature to the request should be in the form, for example, "The Jones Coal Company, a corporation, by John Jones, President", or "The Lotus Club, an unincorporated association, by William A. Smith, Treasurer". A request for payment so signed and certified will ordinarily be accepted without further evidence of the officer's authority.

§ 353.81 Payment to partnerships.

A bond registered in the name of an existing partnership will be paid upon a request for payment signed by a general partner. The signature to the request should be in the form, for example, "Smith and Jones, a partnership, by John Jones, a general partner". A request for payment so signed and cer-

31 CFR Ch. II (7–1–05 Edition)

tified will ordinarily be accepted as sufficient evidence that the partnership is still in existence and that the person signing the request is authorized.

§ 353.82 Reissue or payment to successors of corporations, unincorporated associations, or partnerships.

A bond registered in the name of a private corporation, an unincorporated association, or a partnership which has been succeeded by another corporation, unincorporated association, or partnership by operation of law or otherwise, in any manner whereby the business or activities of the original organization are continued without substantial change, will be paid to or reissued in the name of the succeeding organization upon appropriate request on its behalf, supported by satisfactory evidence of successorship. The appropriate form should be used.

§ 353.83 Reissue or payment on dissolution of corporation or partnership.

(a) *Corporations.* A bond registered in the name of a private corporation which is in the process of dissolution will be paid to the authorized representative of the corporation upon a request for payment, supported by satisfactory evidence of the representative's authority. At the termination of dissolution proceedings, the bond may be reissued upon the request of the authorized representative in the names of those persons, other than creditors, entitled to the assets of the corporation, to the extent of their respective interests. Proof will be required that all statutory provisions governing the dissolution of the corporation have been complied with and that the persons in whose names reissue is requested are entitled and have agreed to the reissue. If the dissolution proceedings are under the direction of a court, a certified copy of an order of the court, showing the authority of the representative to make the distribution requested must be furnished.

(b) *Partnerships.* A bond registered in the name of a partnership which has been dissolved by death or withdrawal of a partner, or in any other manner:

Fiscal Service, Treasury

§ 353.90

(1) Will be paid upon a request for payment by any partner or partners authorized by law to act on behalf of the dissolved partnership, or

(2) Will be paid to or reissued in the names of the persons entitled as the result of such dissolution to the extent of their respective interests, except that reissue will not be made in the names of creditors. The request must be supported by satisfactory evidence of entitlement, including proof that the debts of the partnership have been paid or properly provided for. The appropriate form should be used.

§ 353.84 Payment to certain institutions.

A bond registered in the name of a church, hospital, home, school, or similar institution, without reference in the registration to the manner in which it is organized or governed or to the manner in which title to its property is held, will be paid upon a request for payment signed on behalf of such institution by an authorized representative. A request for payment signed by a pastor of a church, superintendent of a hospital, president of a college, or by any official generally recognized as having authority to conduct the financial affairs of the particular institution will ordinarily be accepted without further proof of authority. The signature to the request should be in the form, for example, "Shriners' Hospital for Crippled Children, St. Louis, MO, by William A. Smith, Superintendent", or "St. Mary's Roman Catholic Church, Albany, NY, by the Rev. John Smyth, Pastor".

§ 353.85 Reissue in name of trustee or agent for reinvestment purposes.

A bond registered in the name of a religious, educational, charitable or nonprofit organization, whether or not incorporated, may be reissued in the name of a financial institution, or an individual, as trustee or agent. There must be an agreement between the organization and the trustee or agent holding funds of the organization, in whole or in part, for the purpose of investing and reinvesting the principal and paying the income to the organization. Reissue should be requested on behalf of the organization by an au-

thorized officer using the appropriate form.

§ 353.86 Reissue upon termination of investment agency.

A bond registered in the name of a financial institution, or individual, as agent for investment purposes only, under an agreement with a religious, an educational, a charitable, or a nonprofit organization, may be reissued in the name of the organization upon termination of the agency. The former agent should request such reissue and should certify that the organization is entitled by reason of the termination of the agency. If such request and certification are not obtainable, the bond will be reissued in the name of the organization upon its own request, supported by satisfactory evidence of the termination of the agency. The appropriate form should be used.

§ 353.87 Payment to governmental agencies, units, or their officers.

(a) *Agencies and units.* A bond registered in the name of a State, county, city, town, village, or in the name of a Federal, State, or local governmental agency, such as a board, commission, or corporation, will be paid upon a request signed in the name of the governmental agency or unit or by an authorized officer. A request for payment so signed and certified will ordinarily be accepted without further proof of the officer's authority.

(b) *Officers.* A bond registered in the official title of an officer of a governmental agency or unit will be paid upon a request for payment signed by the officer. The request for payment so signed and certified will ordinarily be accepted as proof that the person signing is the incumbent of the office.

Subpart O—Miscellaneous Provisions

§ 353.90 Waiver of regulations.

The Commissioner of the Public Debt, as designee of the Secretary of the Treasury, may waive or modify any provision or provisions of these regulations. He may do so in any particular case or class of cases for the convenience of the United States or in order

§ 353.91

31 CFR Ch. II (7–1–05 Edition)

to relieve any person or persons of unnecessary hardship:

(a) If such action would not be inconsistent with law or equity, (b) if it does not impair any existing rights, and (c) if he is satisfied that such action would not subject the United States to any substantial expense or liability.

§ 353.91 Additional requirements; bond of indemnity.

The Commissioner of the Public Debt, as designee of the Secretary of the Treasury, may require:

(a) Such additional evidence as he may consider necessary or advisable, or (b) a bond of indemnity, with or without surety, in any case in which he may consider such a bond necessary for the protection of the interests of the United States.

§ 353.92 Supplements, amendments, or revisions.

The Secretary of the Treasury may at any time, or from time to time, prescribe additional, supplemental, amendatory, or revised rules and regulations governing United States Savings Bonds of Series EE and HH.